

Chapter 2

Japan's Long-term care System and Overview of this Study

October 2020

This chapter should be cited as

Study Member (2019), 'Japan's Long-term care System and Overview of this Study', in Tamiya, N., H.Yasunaga, X.Jin, K.Uda and O.Komazawa (eds.), *Outcomes of Long-term Care Insurance Services in Japan: Evidence from National Long-term Care Insurance Claim Data*. ERIA Research Project Report FY2020 no.13, Jakarta: ERIA, pp.3-4.

Chapter 2

Japan's Long-term Care System and an Overview of this Study

Japan has the oldest population structure in the world, with a share of 28.1% of older people (defined in this paper as people aged 65 years or older) in 2018, and this rate is expected to increase continuously, at least in the coming several decades. In 2000, Japan implemented a public long-term care insurance programme to meet the challenges of its rapid population ageing and ensure its citizens can access and receive long-term care services equitably (Ministry of Health, Labour and Welfare of Japan, 2002). Since then, all citizens aged 65 years or older are eligible to receive LTCI services based strictly on the results of the care-need level assessment. The benefits include care prevention services and long-term care services. The eligibility of the above-mentioned services differs according to the care-need level.

Care-need level assessment

To get a care-need level certification, citizens must submit an application for a care-need assessment to their municipality. A trained local government official visits the home to evaluate the citizen's long-term care needs using a nationally standardised questionnaire on their current physical and mental status (73 items) and the use of medical procedures (12 items). The estimated time for care is calculated according to the results of the survey and classified into seven categories (Tsutsui and Muramatsu, 2005). Care-support levels 1 and 2 are intended to provide nursing care prevention services, and care-need levels 1 to 5 are eligible to use long-term care services. Long-term care services are classified into three categories: in-home services, facility services, and community-based services.

The certificate is available for a maximum of 2 years (1 year in principle) for persons who renew the certificates, and a maximum of 1 year (6 months in principle) for new LTCI users. However, reassessment of the care-need level is available whenever the person experiences functional changes, even in a short period, such as 1 month.

Additional payments

In the fee schedule of Japan's LTCI, the payments to the long-term care (LTC) service providers can be categorised into two types: basic payment and additional payment. The government created the system of additional payment to let LTC providers provide enhanced desirable care, aimed at slowing down the deterioration speed of the care-need level of the beneficiaries. Under this mechanism, to increase their profits, LTC providers are expected to strengthen services by satisfying the requirements to receive the additional payment. The fee schedule of the LTCI has two types of additional payment: items to appraise the initiatives of the LTC service providers,

and items that appraise the special care to individual clients. The former type of additional payment can be reimbursed for all services provided at certain LTC providers if they meet the requirements of the designated LTCI fee items, mainly to strengthen the management systems; while the additional payment for individual care services will be reimbursed when users are provided with special care according to the services users' needs.

Since the establishment of the LTCI in 2000, the government has every three years revised the contents of the additional payments according to the total amount of the care needs. However, there has been limited investigation into the impact of additional-payment-related services on users' outcomes.

Therefore, the focus of this study is to examine the association of additional payments with the care-need level change. We analysed this association separately for the clients of four categories defined by the LTCI. The following Chapter 3 shows the results of analysis targeting long-term care health facilities, Chapter 4 shows the results for long-term care welfare facilities, Chapter 5 for day services, and Chapter 6 for day care rehabilitation. The definition of each category given by Japan's LTCI is also described in each chapter.