

The relationship between the support service payment system for people with disabilities and the long-term care insurance system: Their present situation and the issues concerned with their integration.

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I. Preface

The long term care insurance system for elderly people was introduced in April 2000 to deal with Japan's social situation which has been undergoing extreme change due to an advanced aging population and a rapidly decreasing birth rate. The support service payment system for pensioners with disabilities was implemented in April, 2003. The background for the development of both systems is the reduced number of children and the increased number of elderly, resulting in a rapid decrease of the population, stress on national and local financial bases, the establishment of the idea of human rights, practice of rural welfare, and a power transfer to local self-governing communities.

Our care insurance system was started in April 2000 through the system of social insurance following the advice from a review committee of the social welfare system. Welfare policy for the disabled was modernized in 1981, the international year of disabled people, and from the year of 2000, a support system operated through user selection and contract, instead of the traditional system, was implemented after a "revolution of basic system for social welfare". The number of applicants to such a care-insurance system jumped, and the support service payment system also expanded beyond expectation due to the surfacing of latent demand induced by free selection. Naturally, financial pressure on na-

tional and local governments made them re-examine both systems towards unification in the year 2005, less than 3 years after the start of care insurance and less than 1 year after the support service payment system started. Even though the stated aim is unification, in reality, the support system is likely to be absorbed into the care insurance system and it will create a big problem for the welfare of disabled people. Here, we would like to discuss the unification of these two systems, based on the background of the period, historical flow and the present situation of both systems, focusing on the difference between the two systems and the difference in purpose between old users and disabled users. Also we intend to clarify present status in Niigata prefecture, at this time.

II. Common age-background between welfare of the disabled and welfare of the elderly.

The present social welfare system in Japan has the following basic background. Firstly, there is extremely advanced aging and a rapid reduction of the population. The peak of the Japanese population will be in 2006, with 120 million people, and will decrease afterwards to 100 million by 2050. A reduction of 28 million people in 45 years certainly creates a decrease in productivity, buying power, and tax and financial resources for insurance. The population of 65 years old or over will compose about 36 per cent of total by

2050. Japan is moving toward an extremely aged society and a population reduction ¹⁾. In Niigata Prefecture, the population is about 2.476 million (2000) with a decrease of about 13,000 persons per year (0.5% minus) together with a 1.5% decrease in working age people and a 3% increase in the elderly population. It can be concluded that population reduction and extremely aging society have begun in Niigata ²⁾.

Secondly, there is the problem of a financial emergency at national and local government levels. At present, their long term debts are approximately 700 trillion yen (2003) which equals to 5.5 million yen per citizen³⁾. Such debts will definitely increase due to population reduction resulting from fewer children and more older people. Welfare for elderly and disabled has no choice but to operated under this long term financial stress.

Thirdly, today, the establishment of human rights is a basic concern as they say that the 21st century is "the century of human right". Welfare for the elderly and the disabled in Japan which has previously operated with a weak view of human right must be changed in theory and practice according to the idea of international human rights. The idea of the protection of human rights of disabled people must be recognized, rather than a policy of welfare for the disabled.

Fourthly, the point to be focused on is the promotion of regional welfare and the transfer of power to local governments. Transfer of power from central government to prefecture and from prefecture to city, town and village means that those closest to residents become the center of service. Namely, the consciousness and the role of residents who support the finance of social welfare become more important. Depending upon the consciousness and action of the residents, a difference between regions will become clear.

As mentioned above, the background of welfare for elderly people and disabled people at this

stage must come from an understanding of "an extremely advanced aging and rapidly decreasing population". "financial strain on national and local governments", "establishment of a human rights principle", and "operation of centers via regional welfare and city, town and village governments.

III. Process of implementation of care insurance system and support service payment system.

1. Recommendations from the council for social welfare system.

Government started the reform of six systems including social welfare, management and finance to build a new economic system, recognizing current and severe financial difficulties. In July, 1997, the council for social welfare made a recommendation entitled "Recommendation for the restructure of social welfare system — aiming for 21st century society living with safety" . It said: the social welfare system for 21st century must move from the targeting of help and prevention of poverty to a mutual support system for all citizens. It is a system to help each other beyond their age with the idea of "build together and support together", and they say that this is the principle for future social welfare. Then, a care insurance system following social insurance policy, in which everyone pays a premium to support a group, was in April 2000 ⁴⁾.

2. Basic restructure of social welfare.

The recommendation of the council for social welfare states "one of the big problems left is the one about social welfare. More important problem in the 21st century is physical insecurity and living during aging and what to do with these. It is important for the social welfare of the future. To develop and mature a policy that respects individual dignity, it is necessary to basically review the laws and regulations concerning social welfare, including social welfare managements. Fol-

lowing this recommendation “reform of basic structure of social welfare” was implemented in June, 2000, after many discussions and debates. Following this act, the basics of the welfare system for the the disabled was changed from a measure to support system and the support payment system was started in April, 2003 ⁴⁾.

3. Idea to prepare basics of support payment system.

Current welfare for disabled people was developed from principle of the 「International Year for Disabled People」 in 1981 and idea for the welfare disabled and the basic policy has been modified in the past 20 years, including ten years of 「Decade of Disabled People」. The idea which has been systemized through the transfer of action system to support system comes from the structural change of the social welfare basic organization.

The basis of the current idea of welfare for disabled is the following items and it is necessary that the basic understanding of support payment system also follows them ⁵⁾.

- (1) ① Respect of independence and self-selection / self-determination.
- ② Utilization of service must be done under an equal contract prepared between service donor and recipient.
- (2) Nucleus for promotion of regional welfare service and practice of welfare service is the city, town or village.
- (3) Joining of various services.
- (4) Presentation and common use of accurate information.
- (5) Establishment of a protection system for human rights. Creation of a solution system for complaints.

IV. Present status of care insurance system and support service payment system.

The care insurance system started in April, 2000 and the change of the premium of insurance

and care payment was carried out in 2003, after 3 years. Those must be reviewed every 5 years, according to the law, and then a basic review is expected in 2005. We looked at the current status of those systems in view of care insurance system and support service payment system.

1. Current status of care insurance system.

(1) Change of care insurance users.

We looked at the change by comparing the data at the end of April, 2000, the start of care insurance, and in June, 2003, 3 years later ⁶⁾.

- ① People qualified for service increased by 1.6 times from 2.18 million to 3.57 million.
- ② The number of people utilizing service increased 1.9 times from 1.49 million to 2.82 million.
- ③ The number of people utilizing at-home service increased by 2.2 times from 0.97 million to 2.09 million. In 2005, when c't is expected to be the peak of aging society, the number of persons needed the care service will be 5.3million, which will be 2.4 times more than the 2.18 million at the start of this system.

(2) Change of care payment for insurance.

- ① Payment is expected to increase by 1.9 times from 2.19 trillion yen to 4.108 trillion yen in 2003.
- ② At-home service and facility service has increased 3.1 times and 1.4 times, respectively.

(3) Change of insurance premium.

The national average premium for people 65 or older increased to 3293 yen per month, after the change in April, 2003 which was an increase of 1.13 times from the previous 2,911 yen per month. The number of localities with payments over 4000 yen reached to 197 and there are many communities claiming that “covering the premium for the elderly is beyond our limit” ⁷⁾.

(4) Direction to increase of self payment for care service.

The Department of the Treasury mentioned an increase for individual payments to cover 20 to 30 percent of costs in stead of the current 10 percent, in review discussion for 2005⁸⁾.

(5) Current status in Niigata prefecture.

- ① Changes of care insurance users in Niigata Prefecture from April, 2000 to June, 2003⁹⁾.
 - People recognized as requiring care increased by 1.6 times from 20,000 to 79,000.
 - People receiving the service increased by 1.5 times from 44,000 to 64,000.
 - Home service increased by 1.9 times from 24,000 to 45,000.
- ② Premiums increased by 1,21 times 2,774 yen to 3,347 yen. In comparison with the national average, the increase of the number of users is similar but increase of the premium tends to be much higher⁹⁾.

As we can see from above, the care insurance system is in a critical situation due to the large increase in number of users, payment increase of nearly double due to reform, and a shortage of funds due to the user increase. This is the current status in Niigata Prefecture.

2. Current status of support payment system.

The system has just started in April, 2003 and has operated less than one year. Yet the lack of funds already became a large problem due the large increase of users and an increase of premium.

(1) State of users.

The number of users at the beginning of this system, in April, 2003, was 371,000 and their details were the following¹⁰⁾.

- ① Residential life support: Approximately 180,000 (Physically disabled, 77,000; mentally disabled, 62,000; children 41,000).
- ② Institutional support: Approximately 192,000 (Physically disabled, 43,000;

mentally disabled, 149,000).

(2) Financial status of support payment system.

National government, prefecture and metropolitan government, and township government are responsible for 50%, 25% and 25% , respectively, of the support payment system. However, the national government has found a shortage for residential life support of more than 10 billion yen and has made some adjustment already¹¹⁾.

(3) Status in Niigata prefecture.

- ① The number of support payment system users is about 5600; among them, the number of residential life support is 2200 (physically disabled 1020, mentally disabled 630, children 550) and for institutional support is 3400 (physically disabled 700,mentally disabled 2700) ¹⁰⁾.
- ② Compared to the national average for residential life support of 2500 and for institutional support of 2950, above . Niigata's rates are 88% and 115% respectively, with a tendency for higher institutional support.
- ③ There is no officially reported cost for support payment system, however, the actual data indicates an increase of 41% over last year¹²⁾.

V. Joining of care insurance system and support payment system.

An amendment of the care insurance law says that towards the fifth year, an overall evaluation and any necessary revision must be carried out, and then, toward 2005, a comprehensive discussion must take place. The main theme of this discussion will be problems of care insurance caused by a rapid increase in the number of users. As has been mentioned, fast growth in the number of users, sky rocketing increases in the premiums, increase of user's fees and future economic breakdown will be relevant points.

The division of care insurance of the Japanese Department of Health and Labor held the first

meeting for fundamental reformation of the care insurance system in May, 2003. It is aiming for total reformation by April, 2005. They say that for the sake of financial security, the most important issue is to expand the premium paying age from the current 40 years old to over 20 years old¹³⁾. Common topics involved in the problem of joining the systems is as follows: Firstly, expanding the age group responsible for paying premiums from the current 40 to 20 or older. The increase of premium payers can reduce elderly's responsibility and avoid an increase in the premium and financial break down. Secondly, including disabled people into care insurance system. This is the plan to join two such systems into "Care · disability insurance system". There are ideas behind the joining of Support pay system and Care insurance system after the premium payee age group has expanded to 20 years or older. Namely, younger disabled persons can use the service and it establishes the financial base for the welfare of the disabled by combining insurance premiums and tax money into one insurance system.

VI. Problems of joining support pay system and care insurance system.

We will discuss the major problems of joining of support pay system and the care insurance system from the perspective of the support pay system. The first problem is the presence of differences in content of these two systems. The second one is the qualification of home helpers and assistants. The third one is the training of home helpers. The fourth one is business industries for home services. And the fifth one is the union of cities and towns and villages.

1. The difference of content between the support pay system and care insurance system and the problems.

Summary in Table-form. Differences between support pay system and care insurance system.

(1) Financial resources ① support pay system de-

pends on total-tax. ② Resources of care insurance system consists of 50% tax and 50% insurance money. Support pay system is maintained 50% by national government and 25% by prefecture, 25% by city/town/village, however, the last one must be established first and the national one should be decided last. Naturally, the local government must establish a fund from local tax to start the system. Here, we are able to notice rather large differences between such local residences.

(2) Subject to service ① The support pay system is a part of total service, based on the welfare system for the disabled. Residential life support consists of day service, short stay service, home help and group homes (mentally disabled). The support pay system classifies according to the kind of disability and by age. Support for institutions for disabled children mainly comes from cure system and home help or support pay system. Support for the physically disabled and mentally disabled mainly derives from support pay system with the exception of psychologically disabled people who depend on another system. ② care insurance system covers most of care services.

(3) Contents of residential care service. ① support pay system includes physical care, home help, daily life support (all physically disabled), and transportation cost. ② care insurance system includes physical care and living support.

(4) charges for users. ① The charge depends on the user's income. For people younger than 20, the charged cost will be decided by their parents' income. For those older than 20, it will be decided depending upon their own income or the income of their spouse and/or child. For example, in the case of the mentally disturbed, most of their income comes from a basic pension for disabled and they may have neither spouse nor child and only a few must pay the user's fee. ② The care insurance system is based on a benefit principle and users must pay 10% of service fee regardless of their income.

Difference between support pay system and care insurance system.

	Support pay system	Care insurance system
Revenue source	All from tax	Tax 50% and Premium 50%
Subjected service	Home service: only part of welfare service for the disabled.	Most of care service available.
Contents of home care service	① Physical care ② Assist house work ③ Daily life support(total disability) ④ Assist moving	① Physical care ② Assist living
Cost of user	Charge by capability Above 20-depend on the income of own, spouse and child. Above 18,under 20: depend on income of guardian	Charge by benefit 10% of total service fee
Service cost	Decision by local government, higher than the national standard.	Decision by national government with local status
Decision for utilization and the quantity	Local government decide the use of service adapting national norm	Committee decide the use and the maximum amount.
Care manager	Not available in the system	Available in the system
Care plan	No required in the system	Required before start of service

(5) Unit cost of service (base fee). ① The basic fee for service of support pay system is determined by local government at an amount no less than of the national government. The fee determined by local government will be no more than of the national government. The difference between those local governments on basic premium and the fee is rather large. ② The care fee including local compensation in the care insurance system, is almost the same throughout the nation.

(6) Decision for service and fee. ① In the support pay system, individual local government decides qualifications of users and the fee according to the national rule. For example, there are considerable differences in home help user-time between local units. Furthermore, in transportation care for cultural activities, the cost for chorus singing is acceptable but not for “Karaoke” depending on regional regulations. ② In the care insurance system, a care evaluation board makes qualifications and decides services and limits.

Principle and actual qualifications are generally uniform throughout the nation.

(7) Care manager and care plan. ① In the support pay system, the care manager was not recognized. All service is carried out by a designated unit of the local office. Thus, the preparation and execution of a care plan by the care manager is excluded from this system. ② In care insurance system, these are included in the system and the person in charge will be paid.

As mentioned above, there are considerable differences between the support pay system and the care insurance system on individual points and daily service.

2. Problems of qualification of home helpers and assistants.

A qualified home helper in care insurance must be a care welfare officer or a graduate of home helper training course, first, second or third class. The support pay system requires a training

course for any transportation-helper for vision impaired and totally disabled people on top of the qualification as an official home helper, in some cases the qualification can officially be obtained by attending courses or through experience. In support activity for the mentally disabled, one must have 8 hours of a national standard course and 18 hours in Tokyo, on top of qualifications as a home helper. Charges should be made so that qualified home helper can perform all service and the qualification should be uniform throughout nation.

3. Training of home helpers.

The current content of home helper training is focused on older people and only a limited number of lectures and practice for the disabled is available. The knowledge and skills for care of the disabled are indispensable for the graduates of home helper training courses. However, currently only a few home helpers with professional care skill are available.

4. Residential care service business.

Because applications for business permits for residential care services have been few, local governments must promote the opening of businesses and, as a consequence, permits for businesses have been easily given under the care insurance system. Businesses under the support pay system often cannot respond to a request for home helper from the disabled. Reasons such as “there is no time to care for the disabled”, “we do not understand what to do” and “no person available who is able to care for the disabled” are common. The problem of inability to respond to the disabled registered locally is a real and widespread problem.

5. Consolidation of cities, towns and villages.

As decentralization of power increases, local systems must be strong in finances and human resources. Local governments must have a con-

crete basis regarding the management of the care insurance system and the support pay system. More than 50% of local units are small with less than ten thousand people in population. The national government is trying to reduce the number of these units from 3,218 to less than 1000 and so far over 2,000 of them are discussion mergers¹⁴⁾.

Merging of care the insurance system and the support pay system depends on the finance and directly effects the consolidation of local units.

The current status of Niigata prefecture shows that there are 111 cities, towns and villages and about 53% of them have less than 10,000 people in population and these should merge into 30 or so units. Such merging means a restructuring of financial and service basis of the care insurance system and the support pay system and that is, no doubt, an important problem.

VII. Expectation toward consolidation.

1. Movement toward future consolidation is necessary.

The problems of a merger of the care insurance system and the support pay system have been discussed from the perspective of the support pay system. The merger looks more like an absorption of the support pay system into the care insurance system. Moreover, the discussion tends to focus on how to avoid the bankruptcy of the care insurance system. As we have seen, there is a considerable difference between the support pay system and the care insurance system and this is causing difficulties in merging. Also, the power transfer to local governments in “trinitarianism” of national government is not reliable.

The basic idea of regional welfare and the execution of service by local government is that it must be distributed equally and equal security of life must be maintained. It is necessary that a systematic service be given to all, regardless to age, not only for older people, disabled people and disabled children.

It would be ideal if individual programs and care plans were recognized, and, after reaching a common understanding followed by creating a realistic daily life plan successfully, those plans and service are instituted. As to making regions in one unit, universal support plans for the elderly, disabled adults and children must be carried out. From these points of views, the care insurance system and the support pay system must be merged after concrete discussion.

2. Requirement for the idea to support both social activities and daily life.

Even though discussion and cooperation for unification of the support pay system and the care insurance system in the future is indispensable, a detailed survey, analysis and a decision about the direction of movement have not been made because it has been less than 1 year since the start of the support pay system in April, 2003. Total disabled people living with services under the support pay system say “we have had a difficult time from the start of the support pay system, without enough explanation. Now, as we are somewhat familiar with the system, they talk about joining with the care insurance and the future of the support pay system is uncertain after only 2 years. It seems to be overly hasty”. This is very understandable.

Mr. Masashi Nakanishi, a board director of the Japan Self Support Life Center, has said the following: Care of disabled people is the support of their social life and independence. However, the current care insurance policy is to support the daily life of older people and the contents of service required are different. A helper who supports a disabled person is not a simple care. Giver but also supports self determination and increases the disabled person’s experience in social life. These points are missing from the care insurance system¹⁷⁾. Care for the disabled should be an effective method and technique to raise their quality of daily activities and lives and thus the con-

tents of these matters must be multidisciplinary. There is a strong opinion that care must be not only for physical assistance, help in daily living and assistance in their movement but also for personal assistance service throughout the entire life which the disabled person has chosen. Although the consolidation of the care insurance system and the support pay system has become a big problem due to budgetary restraints, the most important consideration is to support their social activity and general living.

3. Requirement for information security and evaluation by a third party.

The basics of current welfare for the disabled that derived from the restructuring of the social welfare base is considered to be the use of services as decided by choice and contract, supply and sharing of proper information, and the entrance of various service organizations. A consolidation of the support pay system and the care insurance system must be determined through the realization of such a point. The use of the support pay system is to use the service in equal standing to the supplier after a decision by the disabled person. The communication and security information utilized for various disabilities, like vision-loss, hearing-loss and mental disability, is most important. When the required information for decision making is not secure, proper service may not be supplied.

Social welfare services used to be operated by social welfare corporations. The basic restructuring of social welfare insists on the entrance of various service bodies, especially various companies and businesses for residential life service. The availability of various businesses has made selection by the disabled more difficult. Then, evaluation of service bodies by a third party is required to provide fair information. Fair evaluation by a professional third party stimulates better service and helps to establish better service. The idea of evaluation by a third party has been

promoted by the national government and local governments are looking into this system. Among these, the Tokyo metropolitan government has already started a third party organization for evaluation.

In Niigata Prefecture, a third party evaluation study group for welfare and care service commenced, (headed by Naoki Tezuka, Niigata University of Health and Welfare) in July, 2003 and active studies are in progress aiming for a start in 2004. For the proper use of the support pay system, security of communication and security of information and evaluation by a third party must be effectively enforced.

VIII. Careful review and discussion of the time for reinstatement are needed.

The Japanese Department of Health and Labor established a review center of the care system in January, 2004 to start discussions on the care insurance system and disabled people. They include not only the physically and mentally disabled but also psychiatrically disabled people¹⁸⁾.

Study of the consolidation of the support care system and the care insurance system has been started at the national level. The care insurance system must be reevaluated every five years according to the law. It was done in April, 2000 and must be reviewed in 2005. The next review will be carried out in 2010. A review of the premium for care insurance and care pay will be done every three years and the next one will be in 2008.

A merger between the support pay system and the care insurance system will create many potential problems. The review aimed for 2005 is too hasty and may give disabled uneasiness and fear unless we listen their wishes. It is better to aim for 2010 to carry out a through discussion. If it is not too late, the 2008 review must be considered, after careful review and discussion together with disabled people concerning the merging of the support pay system and the care insurance

system.

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