

Japan: Continuous improvement through regular system reviews

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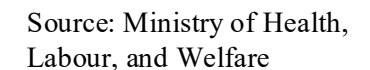
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Outline

- Overview of Japan's long-term care insurance system
- History of major reforms: A glance
- Regular revision
 - Revision cycle and decision-making process
 - Example 1: Enhancing financial sustainability
 - Example 2: Integration with healthcare system

Japan's long-term care system

- Japan introduced a mandatory long-term care insurance (LTCI) system in 2000.
 - Replaced previous means-tested social assistance programme
 - Provides universal entitlement to in-kind benefits for eligible individuals
 - Covers older adults aged 65+ (Category 1) & adults aged 40-64 with specified age-related conditions (Category 2)
 - Uses a standardised, comprehensive needs assessment
- Relies more heavily on home- and community-based care than on residential care
 - Provides home help, personal care, nursing care, rehabilitation, medical management support, and residential care
 - In FY2022, home- and community-based services accounted for 93.3% of claims and 67.9% of benefit payments.
- Informal caregiving continues to play an important role.

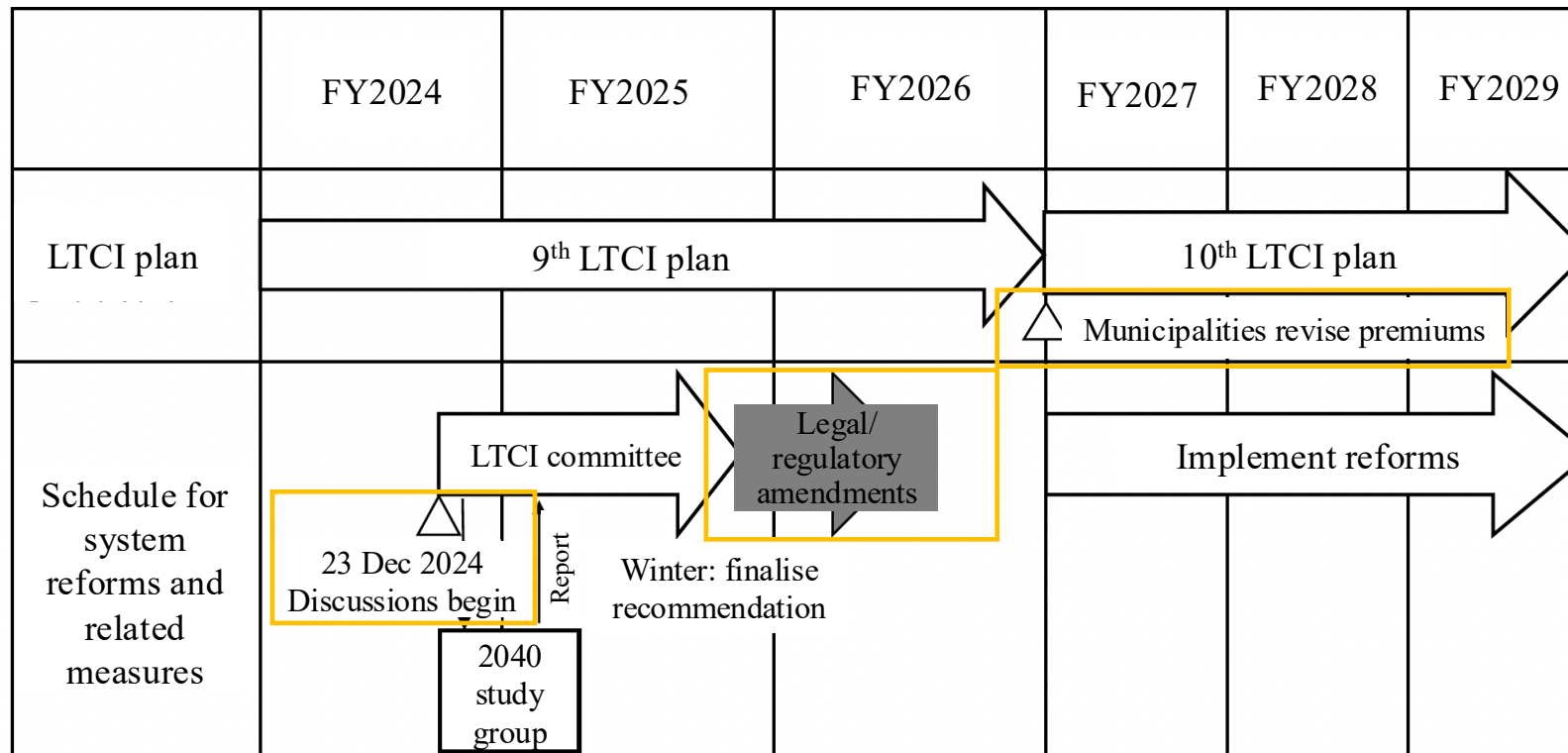


Regular revisions

- Three-year revision cycle
- Ministry of Health, Labour, and Welfare
 - Two principal committees
 - LTCI Committee: reform of the overall LTCI system
 - LTC benefit Subcommittee: detailed revision of national fee schedule
 - Multi-stakeholder engagement
 - Provider and health/care professionals
 - Municipal insurers and local government
 - Users and social partners
 - Academic and independent experts
 - Evidence-informed process
 - Provider financial and operational surveys
 - Claims and administrative data
 - Evaluation of previous revisions
- Ministry of Finance participates in budget negotiations

Long-term care reform timeline

- Municipalities (as insurers) set premiums and develop local service plans every three years.
- Central government aims to complete major legal or regulatory reforms before the next planning cycle.



Source: Ministry of Health, Labour, and Welfare

Revisions for national fee schedule

- National fee schedule (*Kaigo hōshū*): nationally regulated fees paid to providers for services covered by Japan's LTCI

Fee amount = (base units + add-ons – deductions) × regional yen-per-unit factor

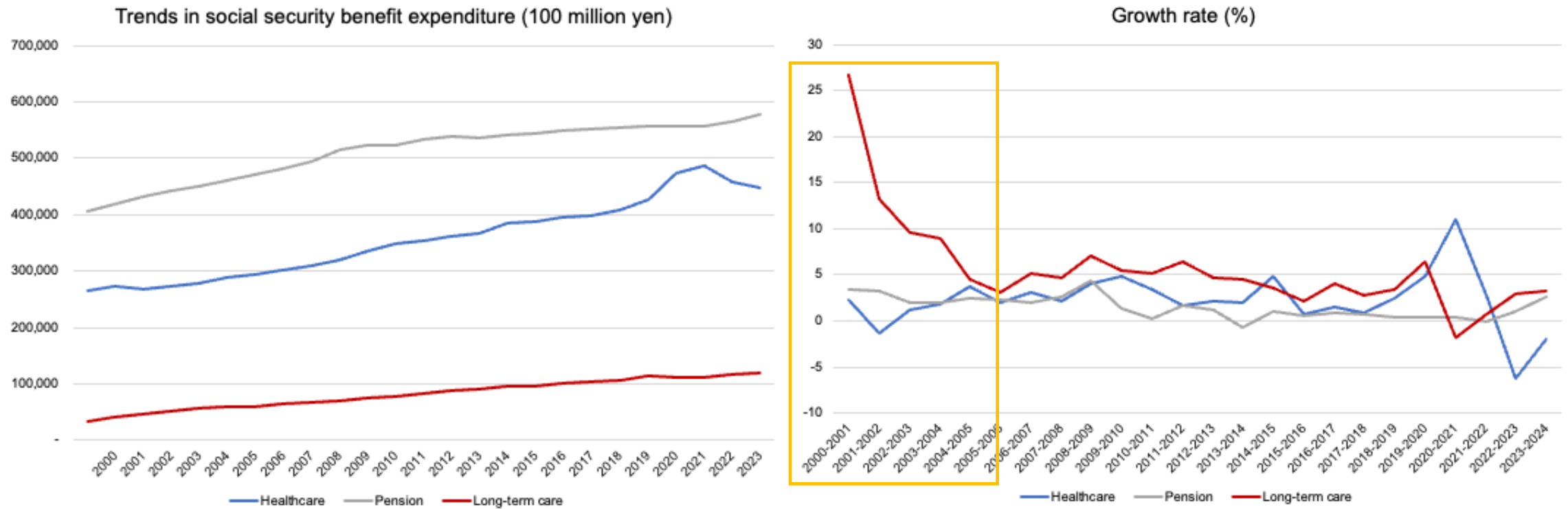
- The fee schedule specifies:
 - Base payment units by services and care-need level
 - Add-ons and deductions, with associated claiming requirements, including:
 - Staffing and service-delivery standards
 - Quality, documentation, and data-reporting requirements
 - Incentives for workforce pay, productivity, and technology use
 - Regional yen-per-unit conversion factors

Long-term care policy follows an established reform cycle

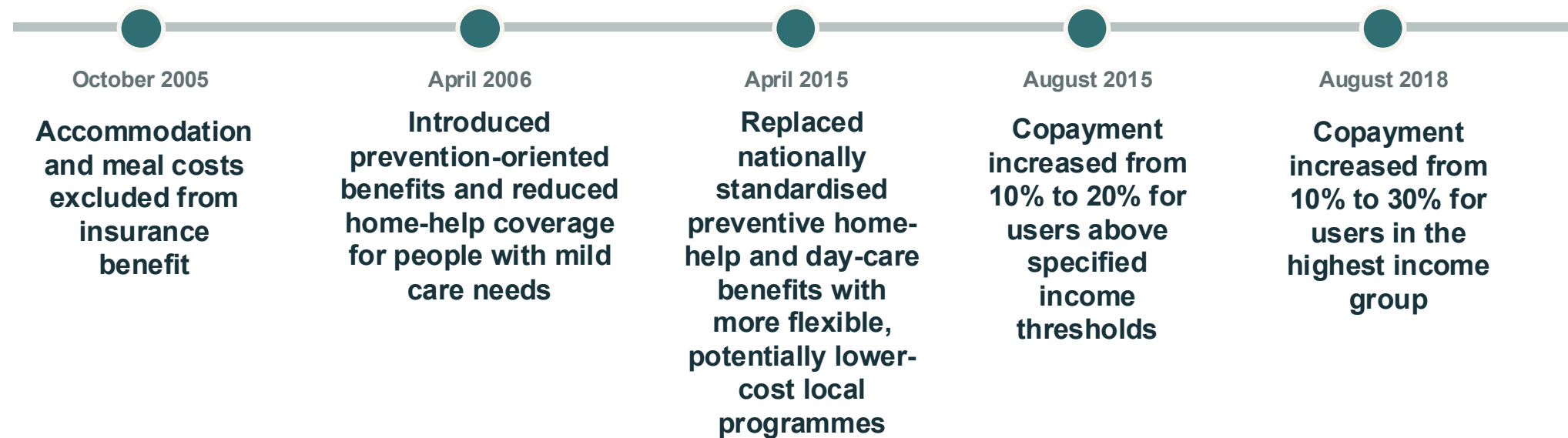
- Long-term care policymaking builds on practices developed in social health insurance
- Social health care insurance has an established review process:
 - Policy revisions every two years
 - Extensive experience within Ministry of Health, Labour, and Welfare
 - Coordination with Ministry of Finance
- Every six years, health and long-term care review cycles align.
- This alignment creates an opportunity to coordinate policy across both sectors.

Example 1: Financial sustainability

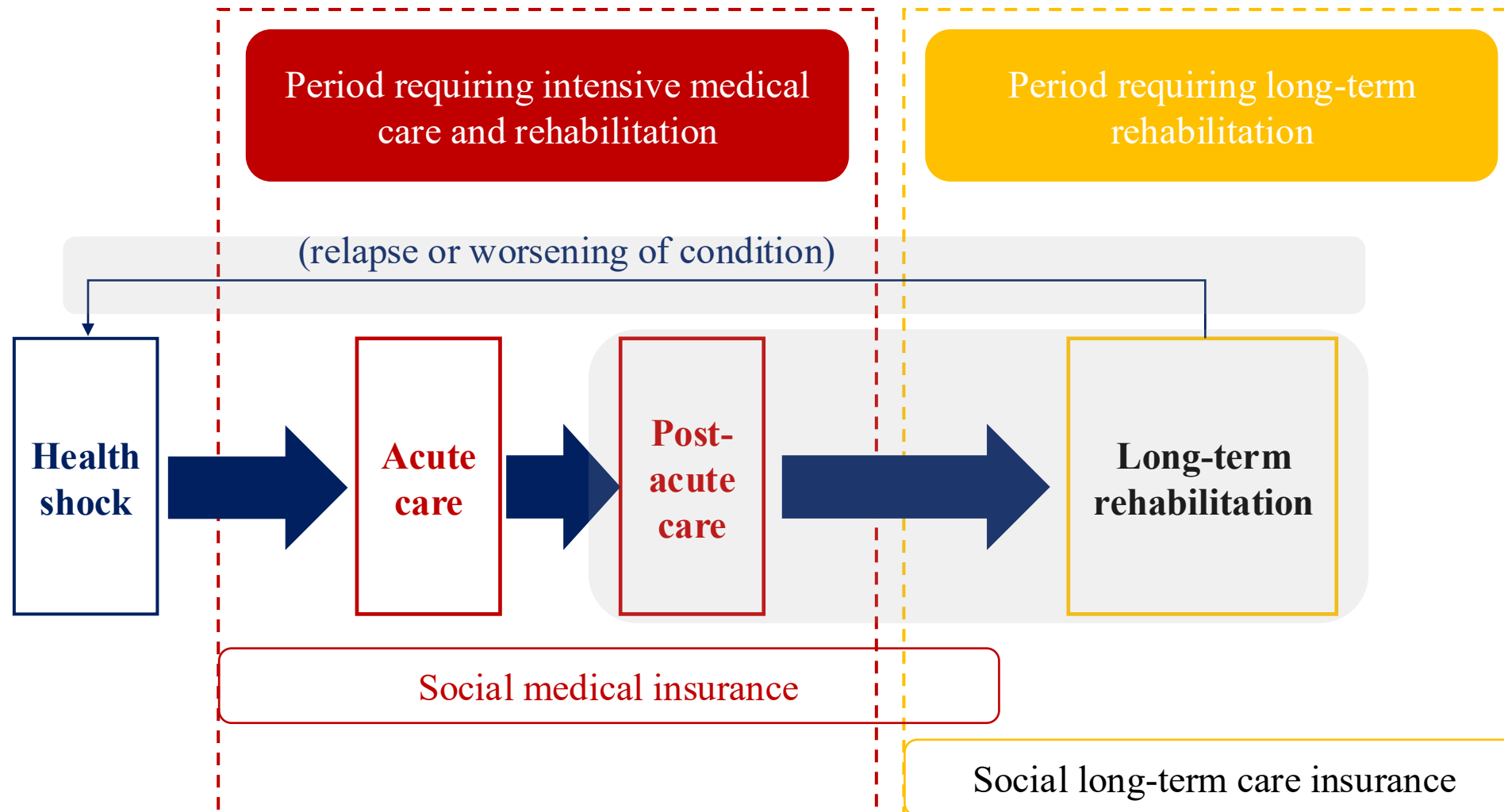
- Fiscal pressure



Selected reforms to strengthen financial sustainability



Example 2: Healthcare and LTC



Strengthening healthcare–LTC coordination

- Goal: Seamless care between home, LTC facility and hospital
- Aligned fee schedule revisions, 2024:
 - Healthcare: Reward medical institutions for supporting LTC facilities, emergency response and necessary hospital admission.
 - LTC: Require formal medical partnerships, emergency arrangements, and admission-discharge coordination.
- Cross-sector data infrastructure:
 - 2021: Linked anonymised healthcare and LTC administrative data for research and policymaking.
 - 2023 legislation: Enabled authorised sharing of individual-level LTC information.
 - From 2026: Phased implementation of the national LTC Information Infrastructure.

Thank you for your attention

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