

The Introduction of Nursing Care Demand and Health Care Delivery System in Japan and China

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Topics

1. Nursing Care Demand

2. Health Care Delivery System

- ① Medical Care Delivery System
- ② Medical Insurance System
- ③ Long-term Care Delivery System
- ④ Long-term Care Insurance System

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Nursing Care Demand (in Japan)

- With the aging society is steadily progressing, demand for **nursing care** is expected to **peak in 2035**.
- Against this background, **the need for nursing professionals is expected to increase**.
- As of the end of 2020, the number of nursing staff, such as nurses and assistant nurses, is about 1.28 million, but **by 2025** when the baby boomers reach the late-stage elderly, the number will increase to **between about 1.75 million and about 1.82 million**.

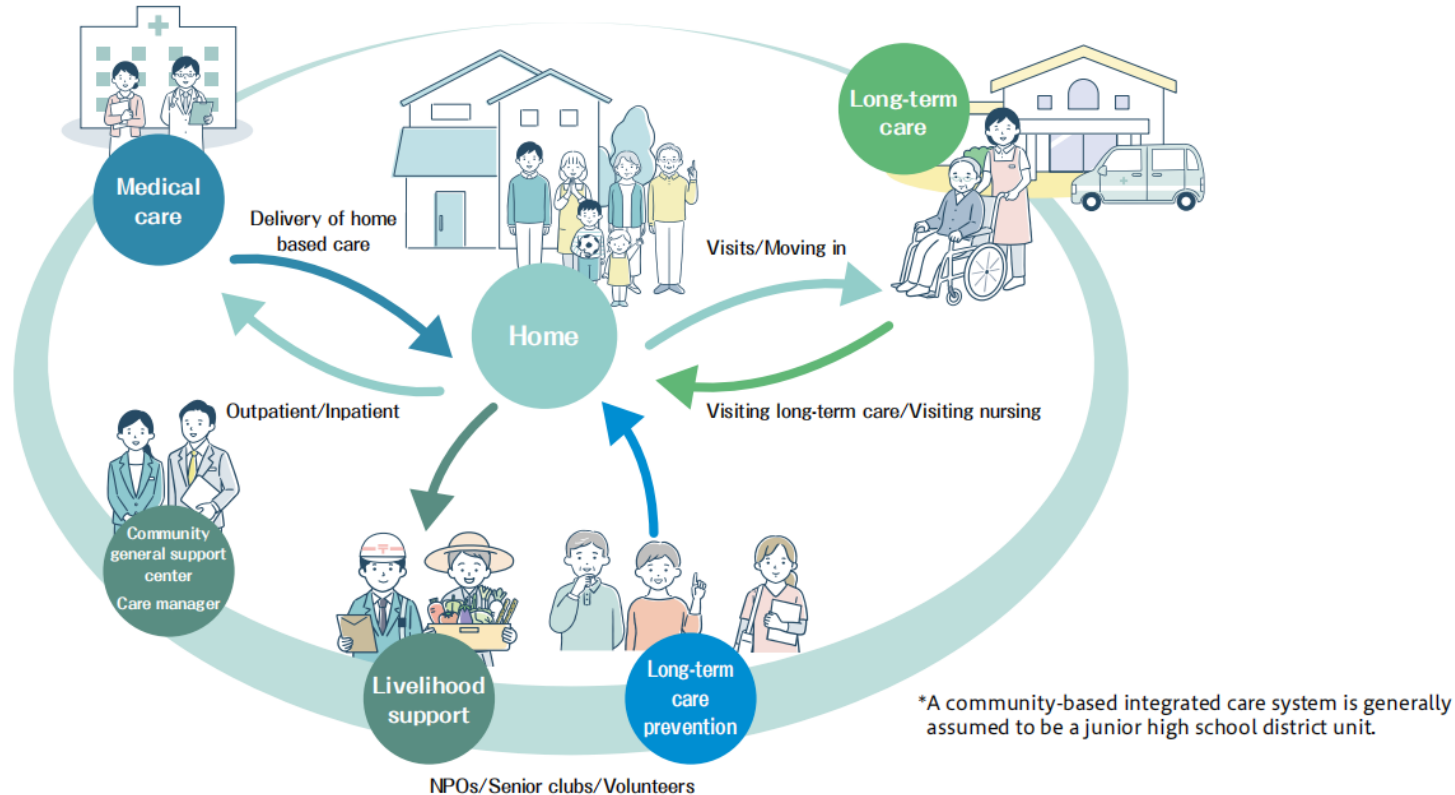
Nursing Care Demand (in Japan)

- To be specific,
 1. Growing Needs for **Geriatric Nursing**;
 2. The future demand for **nursing in community health centers and health care offices of private companies** is expected to increase;
 3. **Human resources with advanced specialized knowledge** are required, such as Emergency Nursing, Certified nurses.....

Reference: Basic data on supply and demand of nursing staff - Ministry of Health, Labor and Welfare

Social Security System Reforms Toward 2025 (in Japan)

Figure 1-5 Community-based Integrated Care System



- The community-based comprehensive care system is a system that provides housing, medical care, nursing care, prevention, and lifestyle support in an integrated manner so that people can continue to live the way they want in the areas they are familiar with, even if they become severely dependent on nursing care.

Community Comprehensive Support Centers

1. Municipalities will develop and implement nursing care insurance business plans every three years with the aim of achieving this by 2025, and will build a comprehensive community care system based on the autonomy and initiative of the region.
2. The central role in this process is the comprehensive community support center. These centers provide comprehensive consultations for local elderly people, advocate for their rights, create support systems, and assist with nursing care prevention, and provide comprehensive support for improving health care and promoting welfare for the elderly.
3. There are 5,431 comprehensive community support centers nationwide, and the total number reaches 7,397 including branch offices (as of the end of April 2023).

The Growth of Nursing Schools and The Number of Nurses (in Japan)

- The Ministry of Health, Labor and Welfare has published an estimate that there will be a shortage of about 60,000 to a maximum of 270,000 people [by 2025](#).
- [In order to solve to this, the government is promoting efforts to secure nurses, such as increasing the enrollment capacity of nursing schools.](#)
- In 2002, the enrollment capacity of nursing schools and training institutes was 53,800, but in 2018, it increased to 67,881. Nursing college enrollment has more than tripled over the same period. Along with this, the number of people who passed the national nursing examination increased from 44,137 in 2005 to 59,769 in 2021.

Challenging In An Aging Society and Nursing Care Demand (in China)

- The population is aging rapidly. The proportion of people aged 60 years and above over the total population is expected to increase from 11% in 2005 to 33% in 2050. This trend results from the combined effect of increasing average life expectancy levels and falling fertility rates due the one-child policy.
- In the large number of elderly population, a considerable number of people are in a state of disability, losing the ability to take care of themselves. It is predicted that in 2030, the disabled elderly population will account for more than 57% of the total disabled population, with a scale of more than 77 million people, and the disabled elderly will experience an average period of disability of 7.44 years.
- Changes in cultural norms of filial piety and the one-child policy make it difficult to rely on children to provide care to their parents.
- The elderly have greater need for long-term care assistance. It has been estimated that the demand for beds in nursing homes will increase from 325,000 in 2006 to 1.68-4.2 million in 2030, depending on different scenarios.



Therefore, there is an increasing demand for nursing care due to a growing aging population and a diminished capacity for home care.

Social Security System Reforms (in China)

1. Health will be given priority in the development of future medical and health services.
2. Building a holistic health solution that uses multi-tiered systems to drive health management, disease prevention and diagnosis, rehabilitation and aged care.
3. Ensure equitable access to health and medical services between urban and rural populations and minimize disparities in the quality of medical services.
4. An efficient medical service system will be established. Adhere to government leadership, give play to the role of market mechanisms, promote technological, digital and life science innovation, and create disruptive and innovative medical models.

Source: 《Healthy China 2030》

National Nursing Development Plan (2021-2025 year) (in China)

1. To Improve the nursing service system.
2. To Strengthen the construction of nurses. Continue to increase the number of nurses, strengthen the training of nurses, protect the legitimate rights and interests of nurses, mobilize the enthusiasm of nurses.
3. To Promote the development of high-quality nursing.
4. To make up for nursing deficiencies and weaknesses. We will accelerate the development of geriatric medical care, implement actions to upgrade geriatric medical care, improve the capacity of primary care services, and accelerate the development of hospice care.
5. To strengthen the construction of nursing information.
6. To promote the development of TCM nursing.
7. Strengthen nursing exchanges and cooperation.

Source: 《National nursing development plan (2021-2025

year) 》

The Development of Community Nursing in China

- The construction of community hospitals has been piloting since 2019. According to the statistics of the National Health Commission, by the end of 2022, 68% of township hospitals and community health service centers nationwide had met the service capacity standards, and more than 3,800 community hospitals had been built.
- By the end of 2023, 87.18% of newly built residential areas in cities across the country had met the standards of elderly care service facilities, The number of service institutions and facilities for the elderly reached 404,000, with 8.23 million beds.

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- ② Medical Insurance System
- ③ Long-term Care Delivery System
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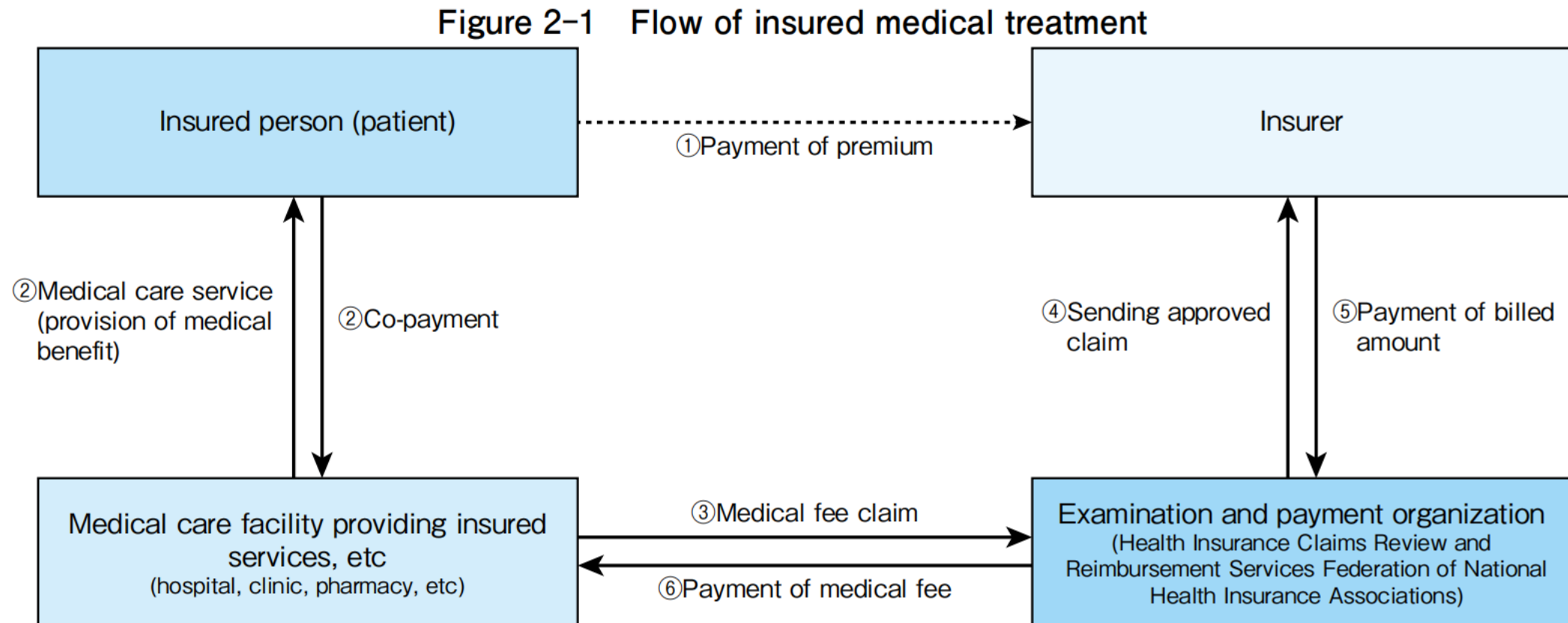
Medical Care Delivery System

Both in Japan and China,

- **Medical Institutions:** Hospitals, Medical clinics, Dental clinics.
- **Health Care Professionals:**
 1. Nurses, physicians, dentists, pharmacists
 2. Others are also engaged in health care

Medical Insurance System (in Japan)

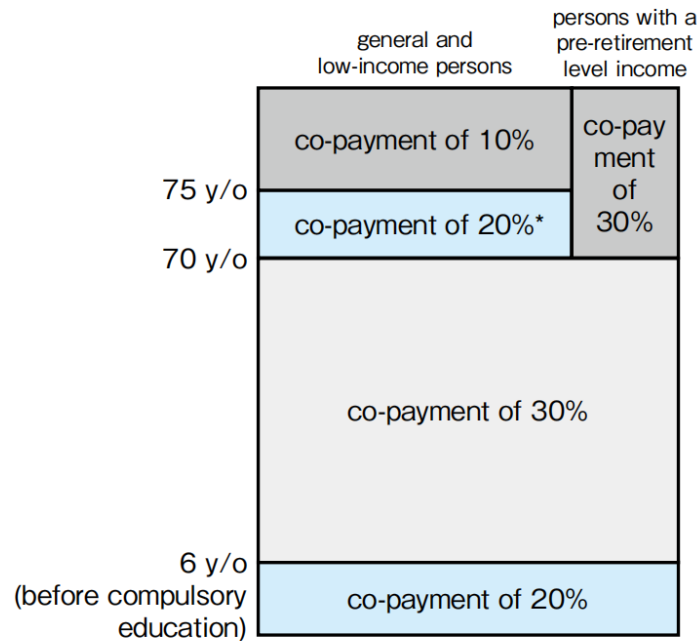
The universal health insurance system provides medical care to all citizens.



Source: All Japan Hospital Association, Medical Fee System, <https://www.ajha.or.jp/guide/1.html>

Medical Insurance System (in Japan)

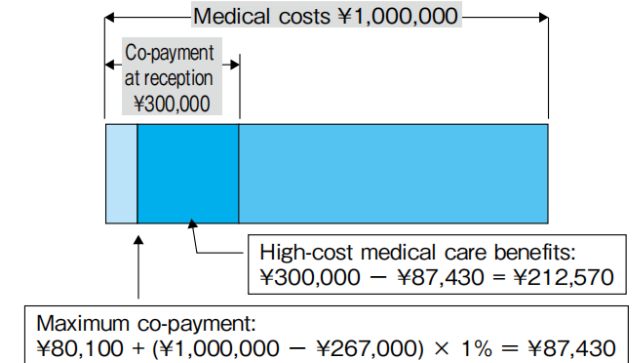
Figure 2-2 Patient's co-payment of medical costs
 【Patient's co-payment ratio of medical costs】



*High-cost Medical Care Benefit System

A system that provides reimbursement for the amount exceeding the monthly maximum co-payment in order to avoid co-payments for medical costs becoming too expensive for family budgets.

〈Example: Case of an employee with co-payment of 30%〉



*Since April 2008, the co-payment for those aged 70 to 74 had remained unchanged at 10%, but was gradually increased to 20% for insured persons who turned to 70 from 2014 onwards.

(Note) The maximum co-payment is divided into general, high-income, and low-income categories according to the income of the insured.

Source: Ministry of Health, Labour and Welfare, Characteristics of the Universal Health Insurance System, <https://www.mhlw.go.jp/content/12400000/000377686.pdf>

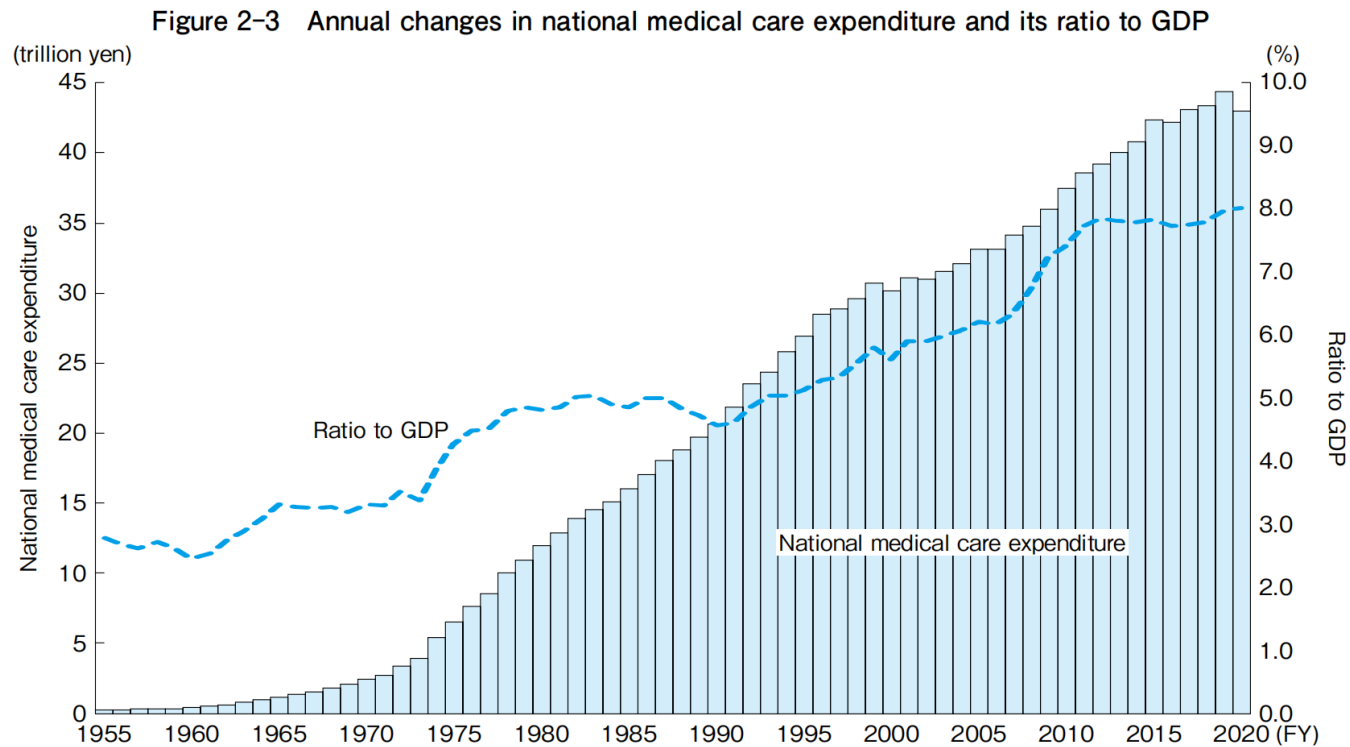
Medical Insurance System (in Japan)

- Payment mechanism for medical costs

1. The payment of medical costs is based on a fee-for-service system, where a fixed number of points are assigned to each medical procedure, including examinations, tests, treatments, hospitalizations, surgeries, and medications.
2. As of 2022, the unit price for one point is set at 10 yen. The total number of points for the medical procedures provided is multiplied by 10 yen to calculate the medical costs, and the patient pays a certain percentage of this amount as a co-payment. Under the current fee-for-service system, medical practitioners are incentivized to perform more medical procedures because their compensation increases with each procedure. Therefore, there is less incentive to control costs. As a result, a comprehensive payment system has been adopted for some hospitalizations and outpatient services to address this issue.

Medical Insurance System (in Japan)

Trends in medical care expenditure



Source: Ministry of Health, Labour and Welfare, Overview of the national medical care expenditure 2020, <https://www.mhlw.go.jp/toukei/saikin/hw/k-iryohi/20/dl/data.pdf>

Medical Insurance System (in China)

- Basic medical insurance includes two systems:
 1. employee medical insurance (covers the urban employed population)
 2. resident medical insurance (covers the urban non-employed population and the rural population)
- The **urban employed** are required to enroll in an employment-based program, which is funded primarily **via employer and employee payroll taxes**. **Other residents** can **voluntarily enroll** in Urban-Rural Resident Basic Medical Insurance, financed primarily by central and local governments **through individual premium subsidies**.
- By the end of 2023, about 1.334 billion people had participated in basic medical insurance, with coverage stable at **more than 95%**.

Medical Insurance System (in China)

Publicly financed basic medical insurance typically covers:

1. inpatient hospital care (selected provinces and cities)
2. primary and specialist care
3. prescription drugs
4. mental health care
5. physical therapy
6. emergency care
7. traditional Chinese medicine

But,

- Most dental services (such as cleaning), durable medical equipment (such as wheelchairs and hearing aids), **home care and hospice care** are paid out-of-pocket.
- Deductibles, copayments, and reimbursement ceilings apply. There is no annual cap on out-of-pocket spending. Complementary private health insurance helps cover cost-sharing and coverage gaps.

Medical Insurance System (in China)

Reimbursement terms:

1. The insured persons must go to the designated medical institutions of basic medical insurance for medical treatment and purchase drugs, or take the medical prescription issued by the doctor of the designated hospital to the designated retail pharmacies determined by the social insurance institution to purchase drugs.
2. The medical expenses incurred by the insured during the process of seeing a doctor must conform to the scope and payment standard of the drug catalogue, diagnosis and treatment items, and medical service facilities of the basic medical insurance, before they can be paid by the basic medical insurance fund according to regulations.

Medical Insurance System (in China)

Reimbursement ratio:

1. Due to the different operation methods of local systems, payment limits and out-of-pocket ratios are also different. In addition, for medical treatment in other areas, in principle, full out-of-pocket payment (can also be partially reimbursed).
2. Residents in rural areas who travel across cities to seek higher levels of care must be prepared to pay out-of-pocket. The higher the level, the higher the proportion of self-payment.
3. Registration, appointment of doctors, preparation of medical records, etc., need to be paid in advance. In addition, a deposit must be paid for examinations and hospitalization.
4. Public services have ambulances (120) but charge a fee.
5. Depending on the level of the doctor, the cost of the initial consultation is different. There is a limit to the amount of medical expenses paid by public insurance, and out-of-pocket expenses tend to be higher for patients with serious illnesses such as cancer or heart disease who want to receive a higher level of medical treatment.

Long-term Care Delivery System (in Japan)

There are currently **four types of long-term care insurance facilities** available for long-term care insurance services:

- ① **welfare facilities** for the elderly requiring long-term care,
- ② **health care facilities** for the elderly requiring long-term care,
- ③ **integrated facilities** for medical and long-term care,
- ④ **sanatorium-type medical care facilities** for the elderly requiring long-term care.

Facility standards for each type are regulated by law according to their different functions.

Long-term Care Delivery System (in Japan)

Long-term care service establishments are broadly categorized into five categories:

- ① preventive long-term care service establishments,
- ② community-based preventive long-term care service establishments,
- ③ in-home service establishments,
- ④ community-based service establishments,
- ⑤ in-home long-term care support establishments.

Long-term Care Delivery System (in Japan)

Situation of long-term care workers:

- **Various health care professionals work alongside care staff and certified care workers** in providing long-term care services.
- The largest number of nurses is engaged in visiting nursing stations (92,139), followed by day-care service for long-term care (38,225), health care facilities for the elderly requiring long-term care (29,732), and welfare facilities for the elderly requiring long-term care (27,418) in 2021.

Source: Ministry of Health, Labour and Welfare: “Ministry of Health, Labour and Welfare, Overview of the 2021 Survey of Long-Term Care Service Facilities and Establishments,” <https://www.mhlw.go.jp/toukei/saikin/hw/kaigo/service21/>

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Long-term Care Insurance System (in Japan)

Figure 2-4 Insured individuals in the long-term care insurance system

- The long-term care insurance system covers (1) individuals aged 65 and older (primary insured persons) and (2) individuals aged 40 to 64 with health insurance (secondary insured persons).
- Long-term care insurance services are available to those aged 65 or older when they require support or care regardless of the cause, and to those aged 40 to 64 if they require support or long-term care due to aging-related diseases such as terminal cancer and rheumatoid arthritis.

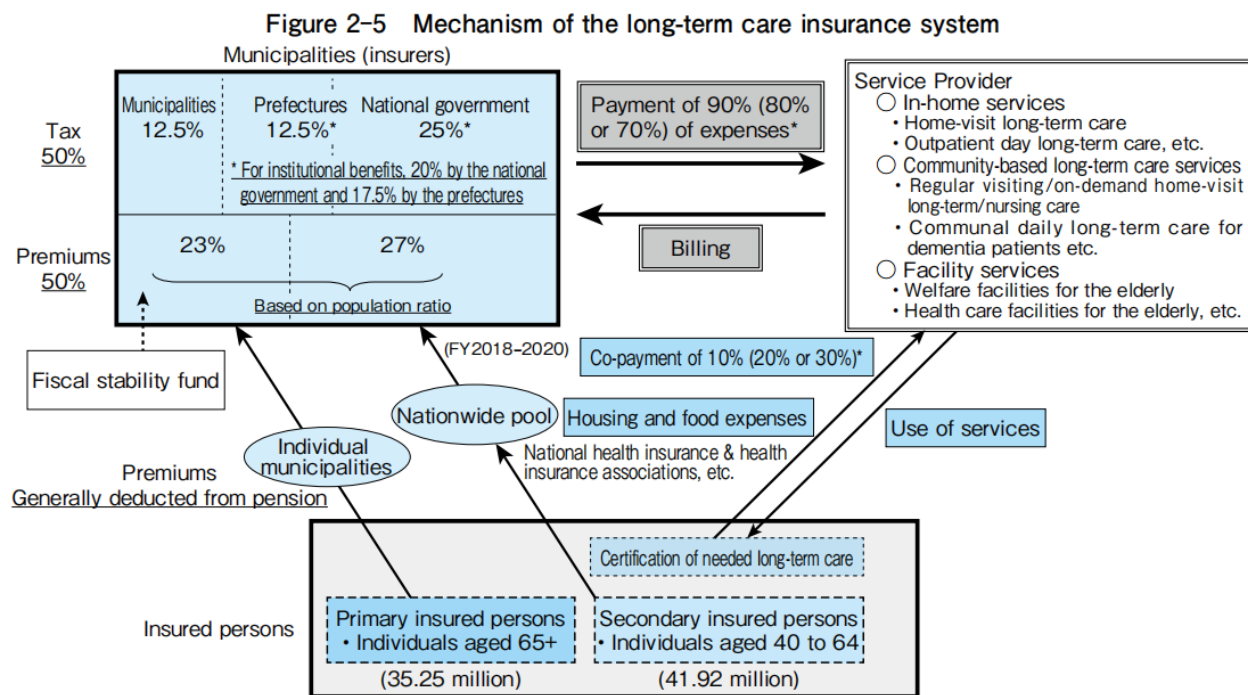
	Primary insured persons	Secondary insured persons
Covered persons	Individuals aged 65+	Individuals aged 40–64 with health insurance
Number of people	35.25 million (aged 65–74: 17.3 million, aged 75+: 17.96 million)	41.92 million
Requirements	<ul style="list-style-type: none"> • In need of long-term care (condition requiring long-term care due to being bedridden, dementia, etc.) • In need of support (condition requiring support in daily living) 	Limited to cases where the condition requiring long-term care or support is due to age-related diseases (specified diseases) such as terminal cancer and rheumatoid arthritis
Number of persons certified as requiring long-term care /support and their percentage of the insured	6.45 million (18.3%) (aged 65–74: 730,000 (4.2%) aged 75+: 5.72 million (31.8%))	130,000 (0.3%)
Insurance premium burden	Collected by municipality (generally, deducted from one's pension)	Collected together with health insurance premiums by health insurers

(Note) The number of primary insured persons and persons certified as requiring long-term care/support is based on the "Status Report on the Long-term Care Insurance System" and reflects the figures as of the end of fiscal 2018.

The number of secondary insured persons is based on reports from health insurers for the Health Insurance Claims Review & Reimbursement Services to determine the amount of long-term care benefit payments, and reflects the monthly average for fiscal 2018.

Source: Ministry of Health, Labour and Welfare, Overview of the Long-Term Care Insurance System (May 2021), <https://www.mhlw.go.jp/content/000801559.pdf>

Long-term Care Insurance System (in Japan)



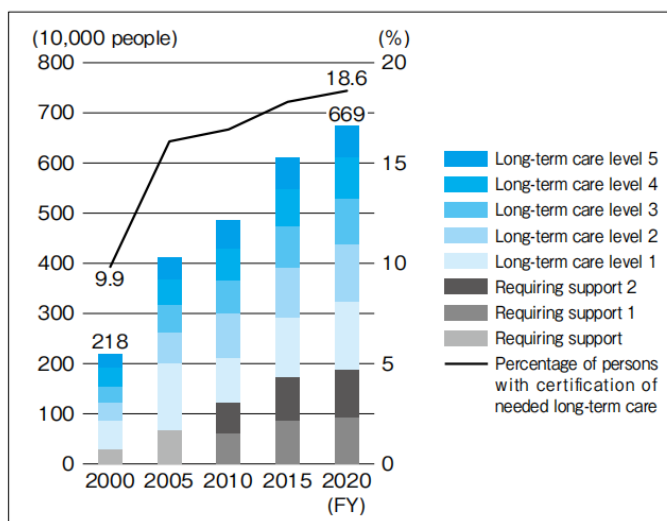
(Note) The number of primary insured persons is based on the "Status Report on the Long-term Care Insurance System" and reflects the figures as of the end of FY2018.
 The number of secondary insured persons is based on reports from health insurers for the Health Insurance Claims Review & Reimbursement Services to determine the amount of long-term care benefit payments, and reflects the monthly average for fiscal 2018.
 * For those with incomes above a certain level, 20% of the expenses (effective August 2015) or 30% of the expenses (effective August 2018).
 Source: Ministry of Health, Labour and Welfare, Overview of the Long-Term Care Insurance System (May 2021), <https://www.mhlw.go.jp/content/000801559.pdf>

1. The payment of long-term care costs is calculated by adding regional and labor supplements based on the location of the service provider to the basic remuneration set for each service.
2. The monthly upper limit for using long-term care services is determined according to the level of care needed, based on the certification of needed long-term care.
3. While users mainly choose the services they want to use, for in-home long-term care services such as visiting nursing, care managers intervene and create a care plan that combines services according to individual needs. Users pay a certain percentage (as described above) as co-payment, but they are responsible for paying the full amount exceeding the upper limit.

Long-term Care Insurance System (in Japan)

Figure 2-6 Trends in the number of persons certified as requiring long-term care/support

The number of persons certified as requiring long-term care/support has increased by about tripled over the 20 years from 2000 to 2020 (nearly doubling its ratio of the total elderly population). The increase in the number of persons certified as requiring long-term care level 1 or less is particularly large.



Requiring support		Long-term care					Total
1	2	1	2	3	4	5	
3.83 times		2.94 times	2.78 times	2.42 times	2.07 times	3.06 times	

* Percentage of persons certified as requiring long-term care/support is the percentage in the population aged 65 and over

Source: Compiled by the Japanese Nursing Association based on the results of basic complete tabulation on population and households, Population census 2020, Statistics Bureau, Ministry of Internal Affairs and Communications, <https://www.stat.go.jp/data/kokusei/2020/kekka.html>

Trends in long-term care expenditure:

As society rapidly ages, the number of people with the certification of needed long-term care **has been increasing** every year, resulting in an **increase** in the total expenditure of long-term care insurance.

Long-term Care Insurance System (in China)

- In order to actively respond to the aging population, in June 2016, the Ministry of Human Resources and Social Security issued the Guiding Opinions on carrying out the Pilot Long-term Care Insurance System (Department of Human Resources and Social Security issued [2016] No. 80), which for the first time piloted the long-term care insurance system in 15 cities across the country.
- In September 2020, the State Medical Insurance Administration and the Ministry of Finance jointly issued the "Guiding Opinions on Expanding the Pilot Long-term Care Insurance System" (Medicare [2020] 37), and decided to pilot long-term care insurance in 14 new cities across the country.
- As of March 2022, there are 49 prefecture-level cities (states) in the country, including provincial-level pilot long-term care insurance.
- For nursing service expenses that meet the regulations, the fund's payment level is generally controlled at about 70%, long term insurance beneficiaries must pay 30% of the compliance fee.

Summary

1. As Japan, China faces a great demand for nursing care and nursing professionals due to its rapidly aging population.
2. There are perfect medical insurance system for all citizens and long-term care insurance system in Japan.
3. At present, in China, basic insurance system is still not perfect, regional differences are large, can not solve the problem of residents for anytime, anywhere medical treatment.
4. In China, long-term care insurance is still in the stage of exploration and trial operation, and has not yet been fully covered.

Suggestion for Health Care Delivery System Perfect and Nursing Education Reform in China

1. In response to China's aging problem, It is necessary to expand the content of public insurance coverage, eliminate geographical differences and improve reimbursement ratio.
2. Expanding enrollment scale, refining enrollment specialty (geriatric nursing, community nursing, adult nursing, etc.), strengthening discipline construction, and strengthening professional skills should be the reform direction for nursing education at present.