Around the World 2

The Evolution of Japan's Long-term care system for Older Adults

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Key Highlights

Shift from Relief-Based to Care-Based Model – Japan's long-term care system evolved from the Welfare Law for the Elderly, originally a relief-based social welfare framework, into a structured care-based model in response to the increasing demands of an aging population.

Implementation of LTCI and Preventive Care Policies – The introduction of the Long-Term Care Insurance (LTCI) system in 2000 separated long-term care from medical insurance, promoting self-reliant support care. A preventive care policy in 2006 further aimed to maintain the functional independence of older adults with light care needs.

Integration of Medical and Long-Term Care Services – Coordinating medical and long-term care services has enhanced care continuity, reduced the burden on families and society, and strengthened the sustainability of Japan’s social security system.

1. From Relief-Based to Care-Based Social Welfare

1.1 Relief-Based Welfare Policies

For decades after World War II, Japan’s social welfare policies primarily targeted a small proportion of economically disadvantaged individuals and those with physical or mental disabilities, providing institutionalized care and residential support. However, urbanization led to a decline in extended-family living arrangements, altering the living conditions of older adults and straining the existing welfare system. In response, the Welfare Law for the Elderly was enacted in 1963, introducing measures such as the establishment of special elderly nursing homes and home-helper services for older adults living alone. However, these measures benefited only a limited portion of the elderly population.

1.2 Social admission—A Challenge to the Healthcare System

By the 1970s, an increasing number of impoverished and bedridden elderly individuals required institutional care. To address this, the government implemented the Five-Year Emergency Welfare Facility Development Plan, which expanded the number of special elderly nursing homes and improved social assistance programs. Additionally, the introduction of free medical care for the elderly led to a surge in hospital admissions among older adults. However, due to the shortage of beds in welfare-based care facilities, many older patients remained in hospitals even after their medical conditions stabilized, leading to prolonged hospital stays, a phenomenon referred to as social admission. This issue significantly extended hospitalization periods, drove up medical costs, and overburdened the healthcare system. To mitigate this challenge, local governments began developing home-based care services, incorporating day care services and short-term stay facilities. In 1989, Japan introduced the 1989 10-year strategy (the Golden Plan), a national initiative to expand home- and community-based welfare services. Amendments to the Welfare Law for the Elderly in 1990 further institutionalized local Elderly Health and Welfare Plans, strengthening systematic care provision across municipalities.

1.3 The Emergence of Care-Based Welfare

By the 1990s, Japan's rapidly aging population led to a sharp increase in bedridden older adults. At the same time, family miniaturization weakened traditional caregiving support, making elderly care an overwhelming burden for families and society. To address these issues, local governments introduced elderly health and welfare plans aimed at alleviating caregiving burdens. In 1994, the government launched the revised Golden Plan, which further refined elderly welfare policies and laid the foundation for a care-based welfare system. However, the program was still budget-driven, and eligibility for care services remained tied to household income, excluding many middle- and high-income individuals. As a result, the problem of social admission persisted.

2. From Healthcare to Care—The Social Long-term care system

2.1 Transition from Healthcare to Care

Despite the implementation of the revised Golden Plan in 1994, Japan still struggled to achieve universal and fully socialized long-term care. Older adults experience different health stages—acute, severe, rehabilitation, recovery, and maintenance—each requiring corresponding care services (Figure 1). However, the healthcare system continued to absorb a large proportion of long-term care needs, leading to high medical costs and inefficient resource allocation.

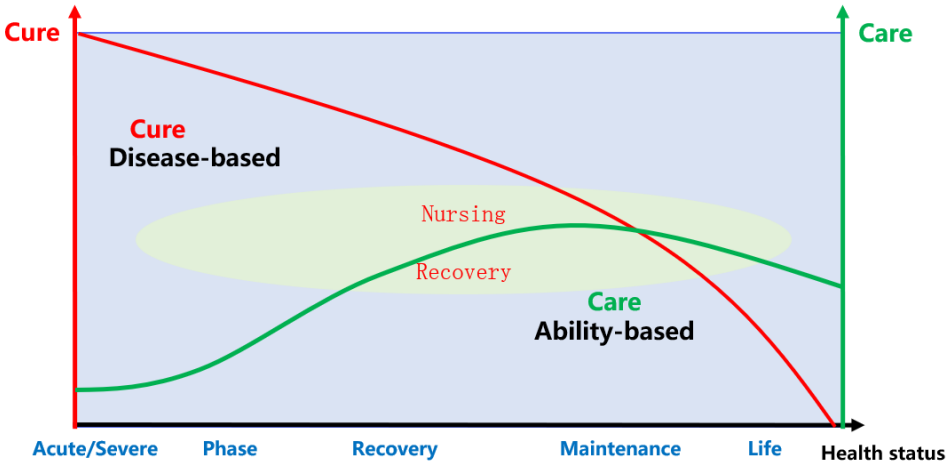

Figure 1 Transition from Healthcare to Care

To address the persistent issue of social admission, establishing a socialized long-term care system became a priority. Although Japan's economy was in decline in the late 1990s and public finances were tight, consensus emerged that a robust long-term care system would not only resolve pressing social challenges but also contribute to long-term socioeconomic stability.

2.2 Establishment of the Long-Term Care Insurance (LTCI) System

In light of these considerations, Japan's Long-Term Care Insurance Act was enacted in 1997, officially launching the long-term care insurance (LTCI) system in April 2000. Under this system, insured individuals undergo a care needs assessment to determine their level of required support, granting them access to care services accordingly (Figure 2). The socialization of care under the LTCI system aimed to provide comprehensive and equitable care services to enhance the quality of life of older adults while promoting self-reliance, enabling them to maintain dignity and independence. Additionally, it sought to alleviate the caregiving burden on families and caregivers, ensuring a more sustainable support system. By addressing public concerns regarding aging and the availability of long-term care, the system played a crucial role in fostering a sense of security among the elderly population.

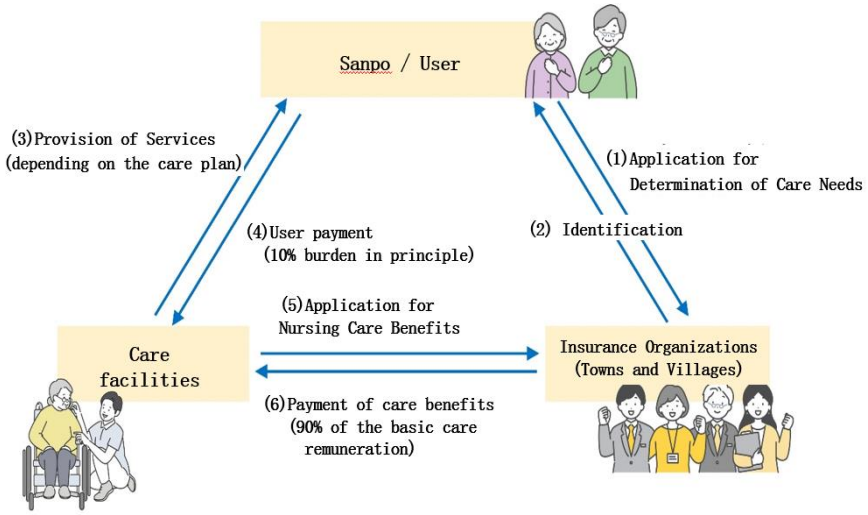

Figure-2 Outline of the LTCI System

2.3 Operation of Long-Term Care Insurance

Funding for the LTCI system is equally shared, with 50% financed by central and local governments and 50% contributed by individuals and businesses. In terms of service payments, beneficiaries are required to cover only 10% of the costs, while the remaining 90% is covered by insurance. Service fees are calculated based on a point system, which considers the degree of care or support needed, the type of services provided, and the duration of care. The LTCI system emphasizes a care-centered philosophy in both service provision and policy objectives. First, it supports the self-reliance of older adults in need of care, enabling them to continue living with dignity. Second, it alleviates the burden on families and caregivers through collective social support. Ultimately, by addressing these aspects, the system helps reduce public anxiety and uncertainty about aging. LTCI is operated by local governments, which are also permitted to provide additional services beyond insurance coverage based on regional needs.

3. Care—Supporting Self-Reliance

3.1 The Philosophy of Self-Reliant Support Care

The LTCI system came into force in 2000, defines the purpose of care services as self-supporting support that stimulates the care recipient's desire for self-support and the process of realizing those desires, and is intended to help the care recipient maintain or regain the ability to take care of himself/herself as much as possible on the basis of his/her dignity and self-confidence and to achieve the goal of a self-directed and dignified life. Self-supportive care focuses not only on physical health, but also on the enhancement of psychological and social functioning. It encourages the care recipients to participate in daily activities to enhance their physical functions and living abilities, reduce their dependence on others and improve their quality of life. Specifically, it includes functional training that promotes the recovery of physical functions through exercise and rehabilitation training; environmental improvement that makes appropriate adjustments to the living environment and facilitates independent living; psychological support that provides emotional exchanges and counselling to enhance self-confidence; and social participation that encourages participation in community activities and the maintenance of social ties.

3.2 Preventive Care

Since the implementation of the LTCI, increased demand due to aging and the potential for overutilization have placed immense pressure on the system. Therefore, Japan has gradually shifted its focus from maintenance services to mainly preventive services in order to delay the entry of older persons into care. In 2006, the government formally introduced preventive care policies, incorporating them into the Community-Based Integrated Care System. Preventive care aims to extend healthy life expectancy by maintaining physical and cognitive functions, improving nutrition, optimizing living environments, and encouraging social participation. Over the past two decades, this approach has significantly expanded home and community-based care services, reduced social and family caregiving burdens, strengthened the sustainability of long-term care insurance, and become a cornerstone of Japan’s healthy aging policies.

3.3 Medical-Care Integration

Over the past decade, the growing prevalence of chronic diseases, functional decline, and dementia has resulted in a mismatch between healthcare and care service needs. To ensure seamless integration between medical treatment and caregiving services, the government has promoted a Community-Based Integrated Care System, enabling elderly individuals to receive comprehensive services—including medical care, long-term care, prevention, and daily assistance—within their communities (Figure 3). This system, developed alongside the 2000 care insurance policy, was further institutionalized in 2012 and strengthened in 2015. By fostering interdisciplinary collaboration and ensuring continuity of care, the system has reduced hospital readmission rates, alleviated financial pressures on both medical and care insurance, and enhanced the sustainability of Japan's social security system in an era of super-aging.

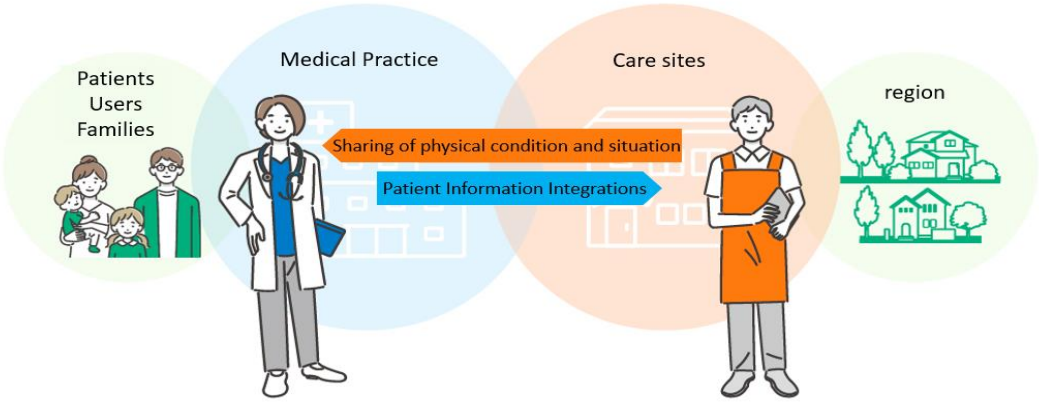

Figure 3 Health care linkage system

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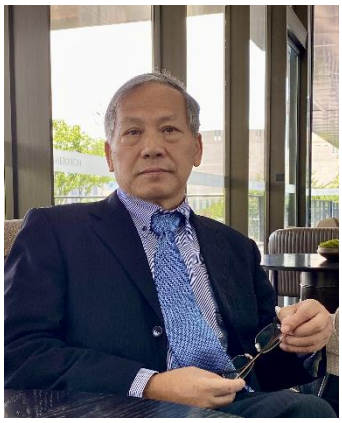

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