

Future of long-term care financing in Japan & The Netherlands

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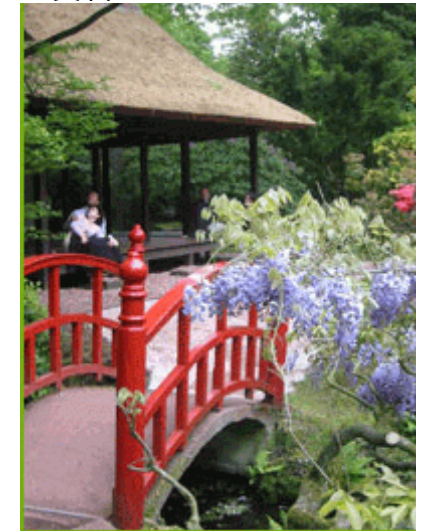
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Japan & The Netherlands



Presentation

- Introduction
- Demography
- Long-term care system in Japan
- Long-term care system in The Netherlands
- Reform of medical and long-term care
- Future of long-term care in both countries





Introduction

Post second world war: baby boom

→ The baby boomers are retiring now

Increasing life expectancy

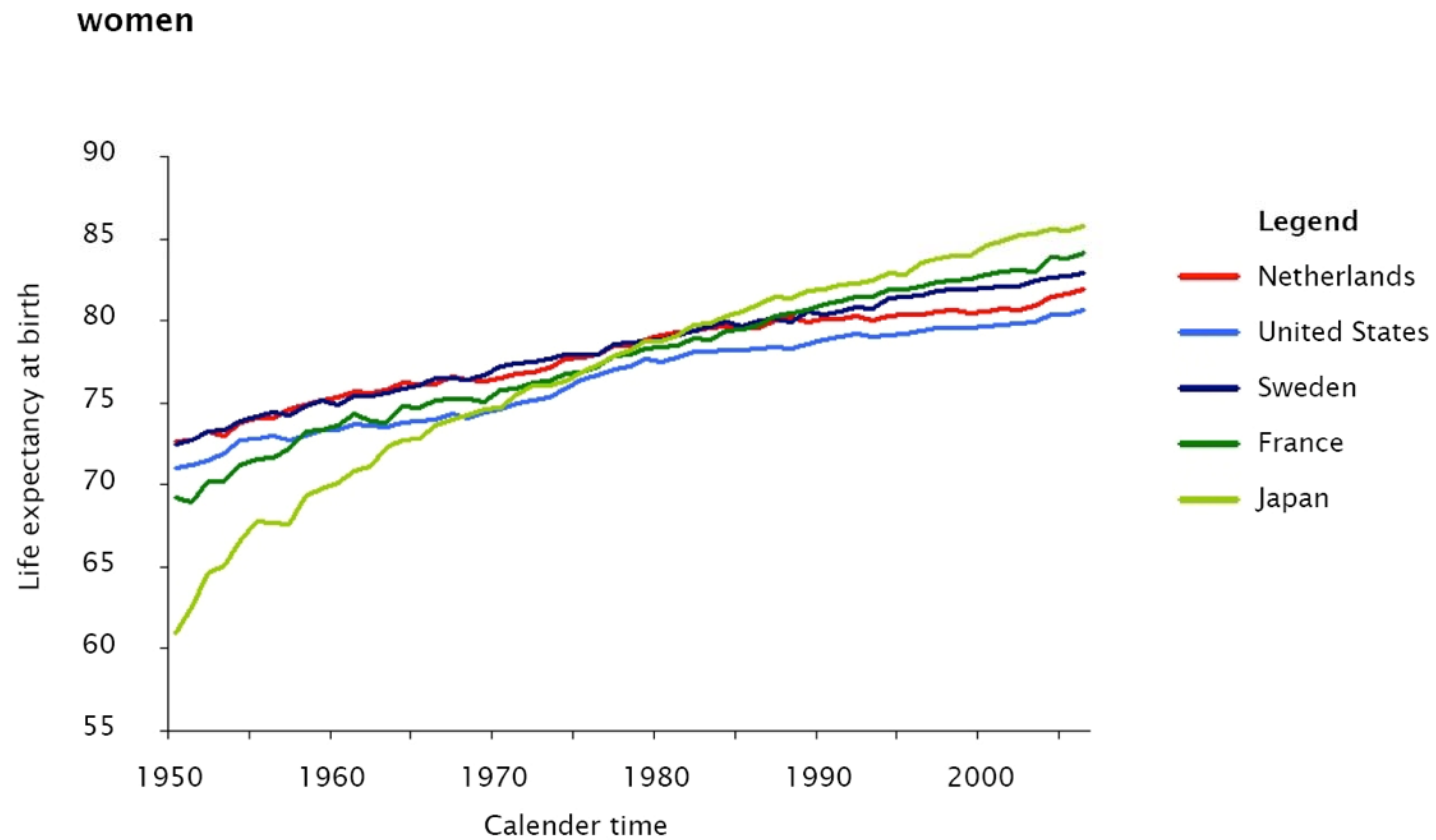
→ Population above 65 years old is increasing

Low fertility rate

→ Both countries: ageing population

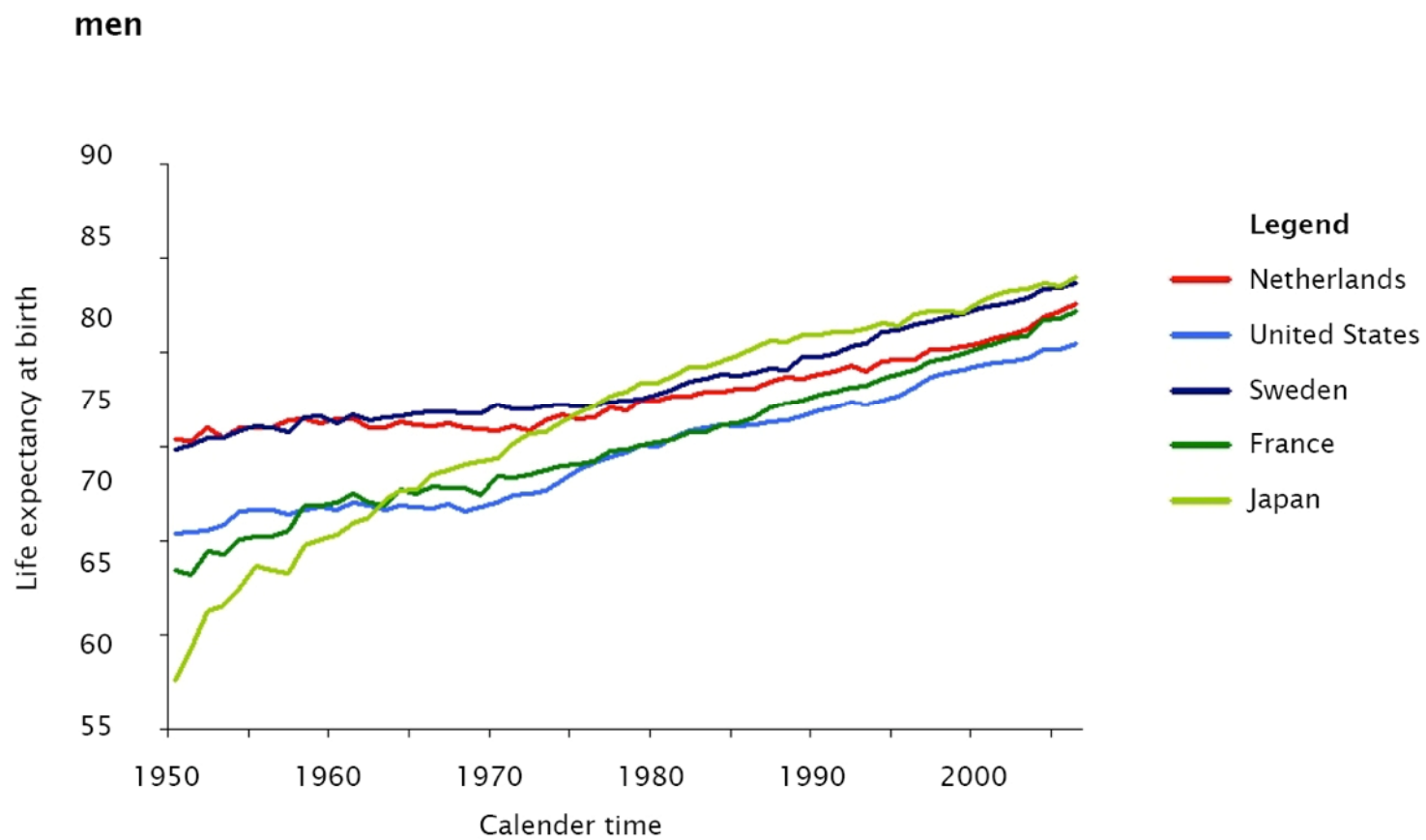
Demography

· Trends in life expectancies at birth from 1950 onwards



Source: Human Mortality Database

Trends in life expectancies at birth from 1950 onwards



Source: Human Mortality Database

Percentage of elderly over 65, 75 and 80 years old

	Japan				Netherlands			
	1995	2010	2025	2040	1995	2010	2025	2040
Over 65	15 %	23 %	30 %	36 %	13 %	15 %	22 %	27 %
Over 75	6 %	11 %	18 %	21 %	-	-	10 %	15 %
Over 80	3 %	6 %	11 %	15 %	3 %	4 %	6 %	9 %



Long-term care system Japan

In the past:

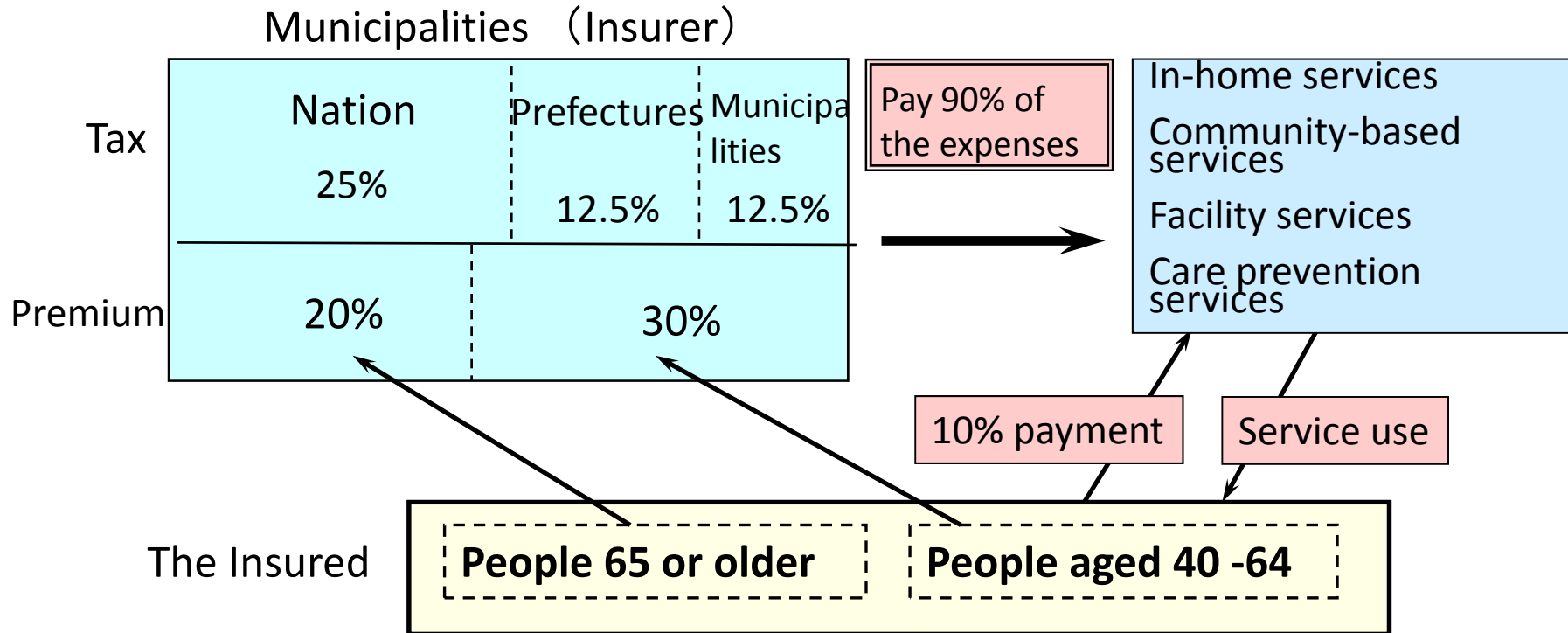
- tax funded
- municipality level
- service mainly low income

Since 2000: insurance scheme

- Insurance for citizens 40 years and older
- Premium based
- Municipalities arrange the care



Outline of Long-term Care Insurance System



Changes in the system in Japan

Increasing expenditure on pension, medical insurance and welfare (incl LTC):

- 1990: 47,2 trillion yen (488 billion US\$)
- 2012: 109,5 trillion yen (1133 billion US\$)

Welfare expenditure: 10% (1990) to 18,8% (2012)

Tax and premium funded



Changes in the system in Japan

2012: 109,5 trillion costs

- Tax revenue 42.3 trillion (437 billion US\$)
- Expenditure 90.3 trillion (934 billion US\$)
- Shortfall compensated by bond (debenture)

→ National debt increased to 230% of GDP
(highest in the world)



Changes in the system in Japan

National Government: tax reform

- Consumer tax: 5 % to 8% (2014) to 10% (2015)
- Increase of insurance premium is expected



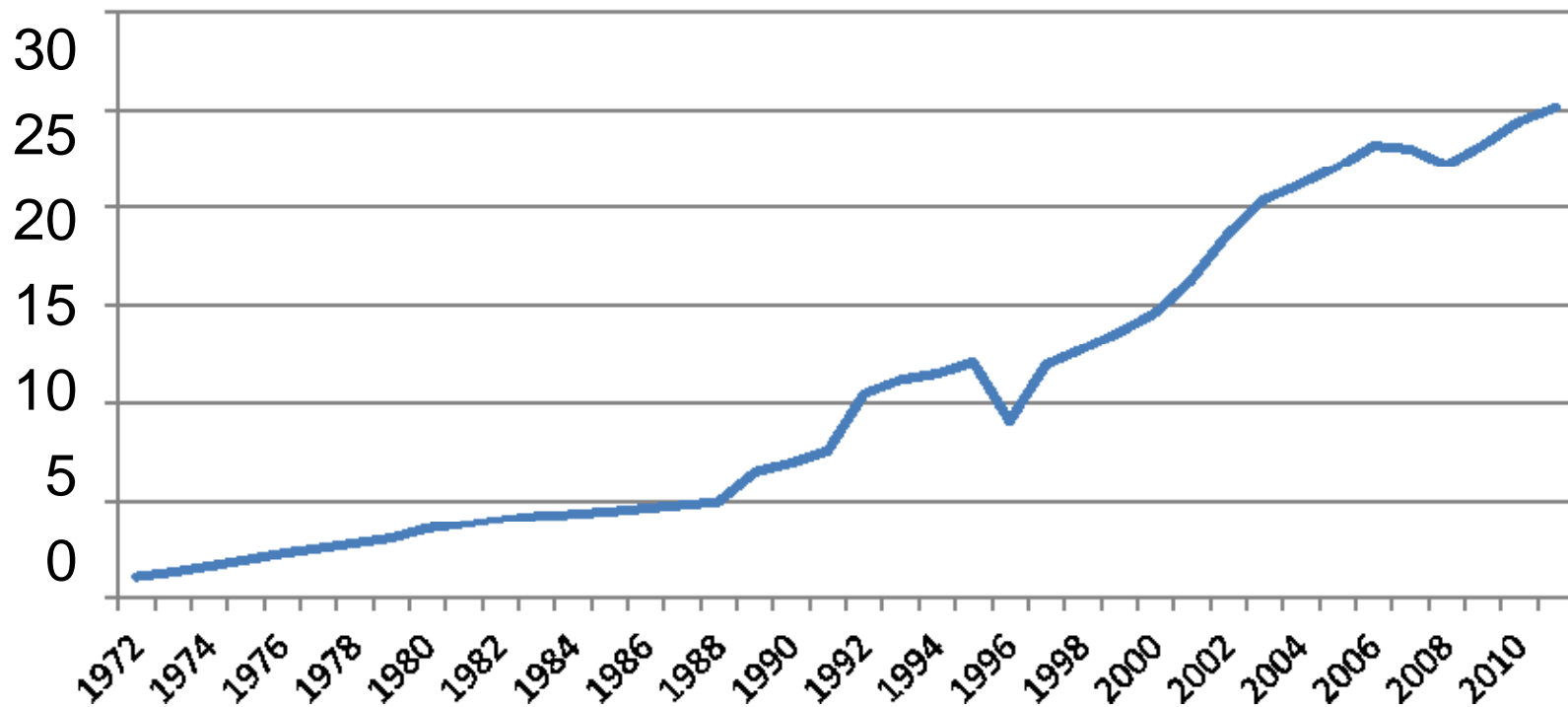
The system in Netherlands



- Health Insurance Act (ZVW)
- Exeptional Medical Expenses Act (AWBZ)
 - Budget: 87 billion € (115 billion US\$)
 - Average costs: 5.243 €/citizen (6.949 US\$)
 - Approx: 3.000,- cure; 2.000,- LTC
- Social Support Act (WMO): municipalities
 - cleaning, aiding tools

The LTC system in Netherlands

Costs LTC 1972 till 2012 (billion Euro)



Users of Long-term care

Japan:

1.84 million (2000)

4.13 million (2013) = approx 1,9 % of citizens

6.41 million (2025) = approx. 5.1% of citizens

Netherlands:

333,000 (2000)

600,000 (2010) = approx 3,7 % of citizens

In 2010 340,000 people received care at home



Reform of medical and long-term care

Reform of the system is issue in both countries

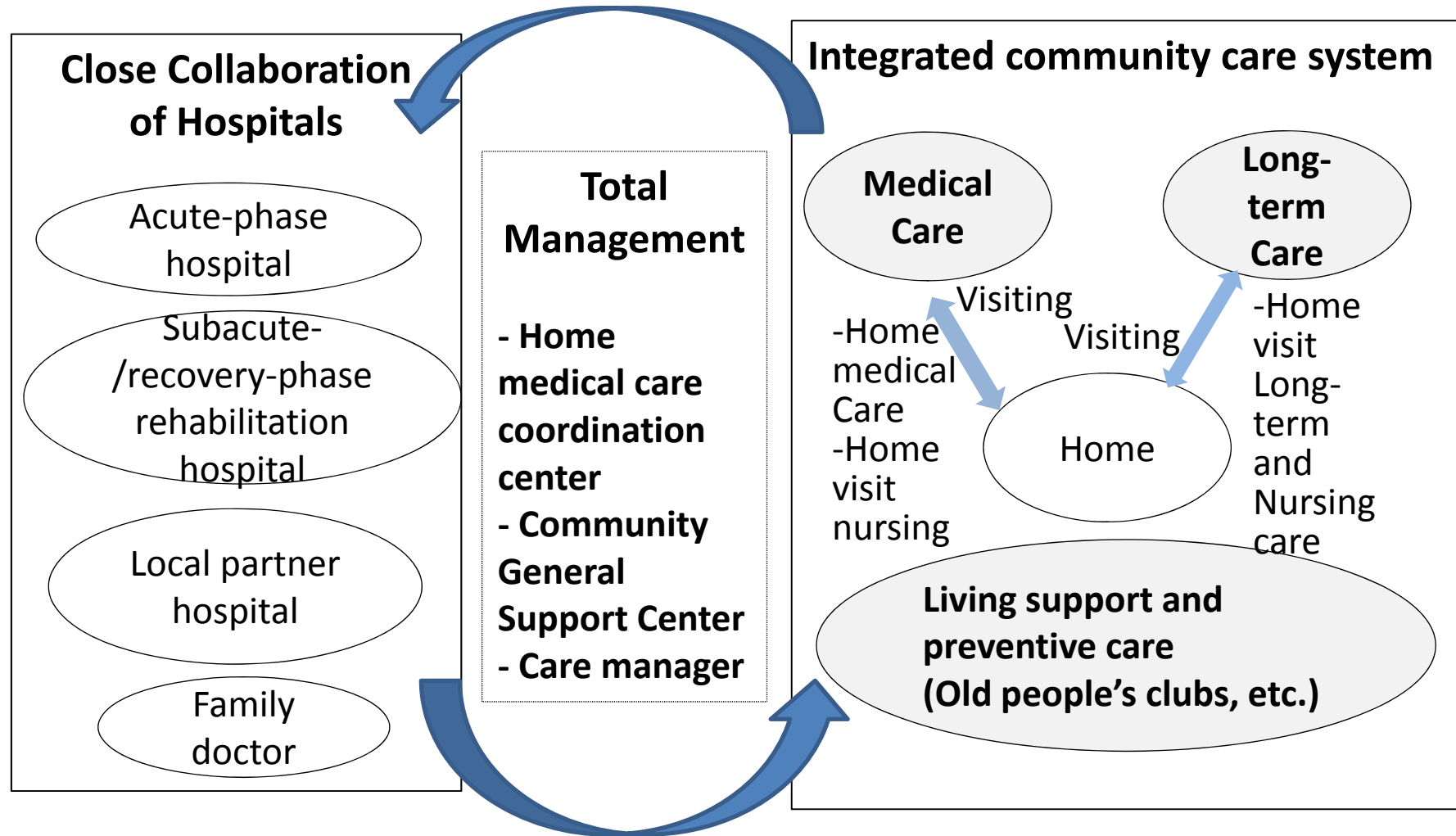
- Mind set, finance, law

Japan:

- Decrease of hospital stay (32,5 days)
- Integrated community care system
- Rehabilitation
- Home-visit nurses

Reform concept Japan

- Intensive input of medical care resources into highly acute phase
- Improve home medical care and build an integrated community care system



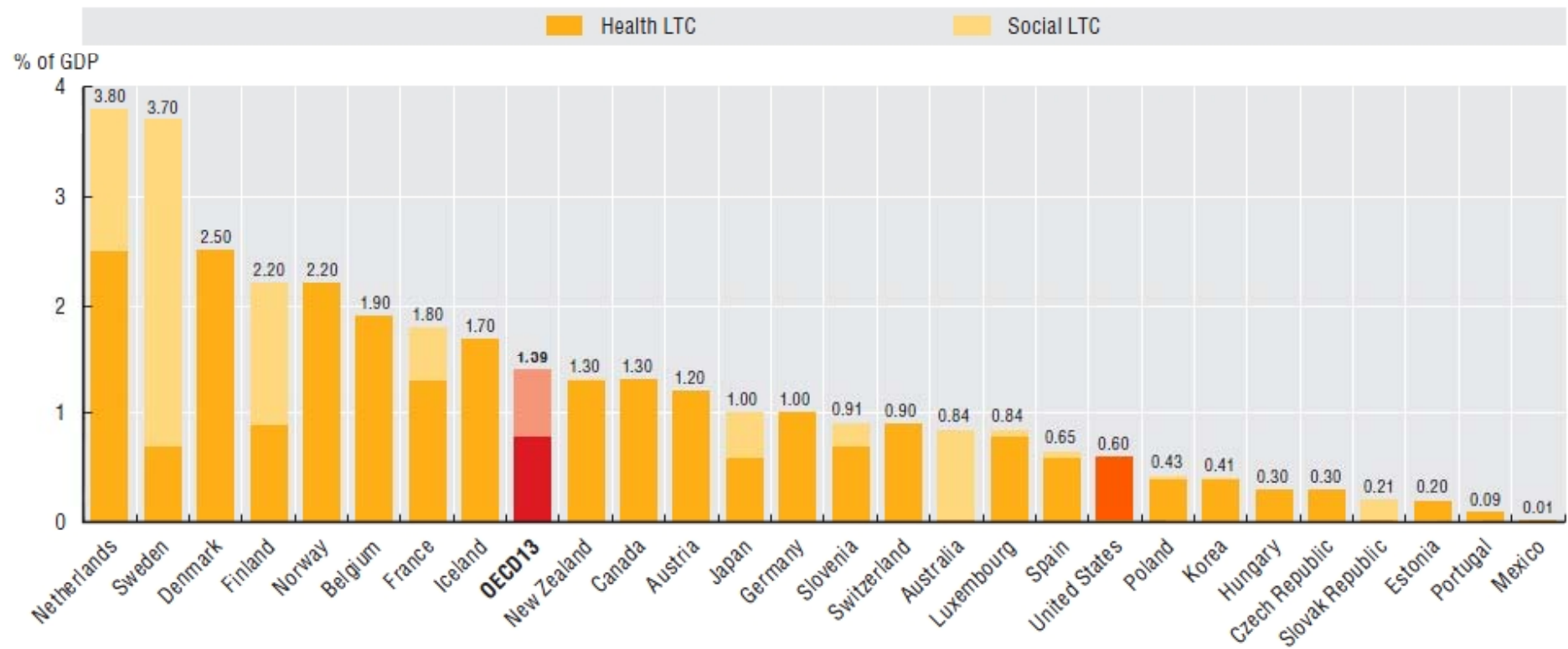
Reform of medical and long-term care

Netherlands:


- Decrease the hospital costs
- More focus on rehabilitation
- LTC at home; more tasks for family/friends
- Claim on care will disappear
- Change of criteria to get access to a nursing home
- Higher co-payments service



8.8.1 Long-term care public expenditure (health and social components), as share of GDP, 2009 (or nearest year)



Source: OECD Health Data 2011.

StatLink  <http://dx.doi.org/10.1787/888932526692>

Future of Long-term care

- The demand will increase (more older people)
- More money is needed
- Promote efficiency
- Expensive care shift to less expensive care
- Healthy workforce



Future of Long-term care

- The demand will increase
- More money is needed
- Promote efficiency
- Expensive care shift to less expensive care
- Informal care givers, social networks and volunteers become more important
- Healthy workforce



Thank you!

