

SDD-SPPS PROJECT WORKING PAPERS SERIES

LONG-TERM CARE FOR OLDER PERSONS IN ASIA AND THE PACIFIC

# Long-term care for older persons in China

## **Acknowledgements**

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## Table of Contents

	<i>Page</i>
<b>Acknowledgement</b> .....	2
<b>1. Introduction</b> .....	4
<b>2. Long-term care policies</b> .....	5
2.1 Long-term care policy .....	5
2.1.1 <i>Priorities and tasks of long-term care for older persons</i> .....	5
2.1.2 <i>Revised Law on Protecting the Rights and Benefits of Older Persons</i> .....	6
2.1.3 <i>Government plans for building a long-term care system</i> .....	7
2.1.4 <i>Quality management of long-term care</i> .....	7
2.2 Challenges to long-term care policies in China .....	8
<b>3. Good practices in long-term care in China</b> .....	8
3.1 Standardized assessment mechanism for long-term care needs .....	8
3.2 Provision mechanism for long-term care service .....	9
3.2.1 <i>Residential care services</i> .....	9
3.2.2 <i>Community care services</i> .....	10
3.2.3 <i>Institutional care services</i> .....	10
3.3 Long-term care insurance scheme .....	11
<b>4. Long-term care service and caregivers</b> .....	12
4.1 Role of caregivers .....	12
4.1.1 <i>Government shifts from caregiver to service buyer</i> .....	12
4.1.2 <i>Family members as primary caregivers for elders in need of long-term care</i> .....	13
4.1.3 <i>Communities are the main platforms for home-based long-term care</i> .....	13
4.1.4 <i>Institutions as professional caregivers for the oldest-old and older persons with disabilities</i> .....	14
4.2 Human resources and long-term care provision .....	14
4.2.1 <i>Shortage of caregivers and lack of professional knowledge and skills</i> .....	14
4.2.2 <i>Caregivers for older persons are poorly paid and poorly appreciated</i> .....	15
4.2.3 <i>Promotion path and career planning for caregivers are not clear</i> .....	15
<b>5. Financial support of long-term care</b> .....	15
5.1 Direct financial support .....	16
5.2 Indirect financial support by purchasing service .....	17
5.3 Policy support .....	17
<b>6. Potential problems for long-term care</b> .....	17
6.1 Current situation of long-term care service .....	17
6.2 Potential problems .....	18
<b>7. Policy suggestions</b> .....	18
<b>References</b>	

## 1. Introduction

China has the largest and most rapidly ageing population in the world—dramatically increasing its need for long-term care (LTC) services. As of the end of 2014, China had more than 212 million people aged 60 years or older, accounting for 15.1 per cent of the total population (SSB, 2015). An estimated 18.6 per cent of that older population needs assistance for daily living activities. The number of older persons with partial or full disabilities reached 37.5 million in 2013; this number is expected to expand considerably in the future: to 68 million by 2030, 97 million in 2050 and surpass 100 million by 2053, at which time the ageing of the population will have peaked (Wu and others, 2014, pp. 31–32). Clearly, the need for long-term care will increase profoundly in the future.

The rapid socio-economic development and strict implementation of the revised family planning policy since 1980 has affected the structure of families in China, with a weakening of traditional family support for older persons as a result. This has led to increased demand for LTC support from society and government at all levels. Due to the strict implementation of the family planning policy, the fertility rate continues to decline, and family sizes are shrinking (the fertility rate decreased from 2.35 in 1990 to 1.18 in 2010, and the family support ratio decreased from 3.96 in 1990 to 3.1 in 2010) (Yang and He, 2014, pp. 36–51).

Single-child families have particular difficulty providing care for older parents. In addition, the rural-urban migration has further aggravated the instability and deficiency of LTC provision by families. The sizable internal migration from rural to urban areas has resulted in a large number of older persons left behind in villages by their children. A much larger proportion of older persons now live separately from their children than ever before, and these trends make the family provision of LTC in rural areas difficult. According to the 2010 National Population Census, the number of internal migrants reached 221 million in 2010 (SSB, 2011). As a result, more than 50 million older persons were left behind in rural areas, and more than 100 million were “empty-nesters”—older people living alone or with a spouse only in either an urban or rural area (Wu and others, 2013, pp. 31–32). Both of these categories of older persons tend to need LTC services.

With the increase in life expectancy due to socio-economic development as well as advances in medical care in recent years, there has been a significant increase in the number and proportion of the population aged 80 or older, which is also an important characteristic of China’s ageing population. According to the 2010 National Population Census, the proportion of people aged 80 or older had increased from 9.2 per cent in 2000 to 11.8 per cent. Many of them received assistance for daily living activities and/or required LTC for a long time (Zhang and Du, 2009, pp. 68–76).

Compounding the challenges, the number of nursing homes for older persons or community day-care centres is too few to satisfy the needs of the massive older population. Even though nursing homes are the primary providers of LTC to poor and vulnerable older persons, what exists currently provides limited service. Due to inadequate funding and limited capacity of services and management, less than 40 per cent of nursing homes provide professional LTC service, while specialized nursing homes for taking care of older persons with disabilities are nowhere to be found in rural areas (Zhang and others, 2011, pp. 11–16). The major sources of LTC provision—families, nursing homes, rehabilitation centres and community day-care centres—do not coordinate with one other. They often operate in a segmented manner, further impeding effective LTC development.

Medical services as well need to be developed further to meet the LTC needs.

With the increase in the number and proportion of older persons, the increase of average life expectancy, the weakening of family support systems, changing living arrangements and increasing female labour force participation rate, the ageing population is more and more dependent on LTC provided by society and the Government. To meet the swelling LTC needs of older persons, the Government published a report on ageing in 2006 (State Council Information Office, 2006) as the first step in developing a national support system for the care of older persons. That proposed system comprises three elements of care provision: family support as the base; community care as the support; and institutions as a supplement.

The State Council's Five-Year Plan of China on Ageing Undertaking Development contains a similar statement on the need for a support system for the care of older persons. The Ministries of Civil Affairs and Education, the National Health and Family Planning Commission and local governments also have published policies and regulations, such as regulations for the registration and administration of nursing homes, accelerating the training of professionals for older-person services, setting up a health and family planning task force on ageing and issuing basic standards for clinics in nursing homes. The policies and regulations have strengthened the provision of the LTC services and will go a long way in standardizing service quality and enhancing LTC capacity.

## **2. Long-term care policies**

As more and more young people choose to work outside their hometown and live separately from their parents, the role of family in the provision of LTC has declined. As a result, it is necessary for government at all levels to build up a social care service system. Faced with the challenges of such an ageing population, the State Council initiated policy positions from 2011 to 2014 that opened the way for a social care service system that is based mainly on the continuation of home care. LTC is included in many of those policies, and the development of the system has made good progress in recent years.

### **2.1 Long-term care policy**

#### *2.1.1 Priorities and tasks of long-term care for older persons*

In 2011, the State Council published its Twelfth Five-Year Plan of China on Ageing Undertaking Development (2011-2015) and the Social Care Service System Construction Plan (2011-2015) (CPG, 2011a). The two policies articulate the priorities and tasks for developing LTC in the country.

The Twelfth Five-Year Plan specifies the strengthening of health care services for older persons as an imperative. It includes three aspects: (i) Promoting the construction of a health service network for older persons and incorporating specific health services into local development through the planning and construction of geriatric hospitals, geriatric rehabilitation hospitals and geriatric wards in general hospitals. The plan also seeks to develop the capacity of community health service institutions to deliver medical, nursing and health care for older persons, including a health monitoring system. (ii) Providing chronic disease prevention services by encouraging community health institutions to establish health archives for persons aged 65 or older, encourage older persons to undergo regular health checks, expand the general public's knowledge of chronic disease prevention and promote comprehensive interventions on

common and chronic diseases among older persons. (iii) Developing health protection by expanding health education, popularizing health care knowledge and improving older persons' awareness of the impact of physical exercise on their mental health. The plan stresses the importance of mental health and offers psychological intervention services.

Additionally, there is specific focus on the mental health conditions of people older than 80 who are living on their own or with a spouse only and/or who have disabilities. It encourages provision of special training and support for family members of older persons that promotes spiritual and mental health. A goal of the plan is to realize 60 per cent early detection and 70 per cent intervention in Alzheimer's disease and depression (CPG, 2011a).

The Twelfth Five-Year Plan prioritizes LTC and rehabilitation services for bedridden older persons. It calls for the establishment of at least one professional nursing home for LTC that will provide care, rehabilitation and hospice care in prefectural-level cities. It aims to achieve a proportion of 3 per cent of the total number beds for older persons. It proposes that public nursing homes funded by government should offer LTC services, such as professional care for older persons having daily living problems. Currently, nursing homes are ill-equipped to accommodate the needs of such persons due to the lack of professional staff and services. Thus, the plan stipulates the strengthening of nursing home capacity. Healthy older persons are encouraged to use community services instead of nursing homes. In newly built, renovated or expanded public nursing homes, beds reserved for older persons with disabilities should account for 60 per cent of the total beds. At the same time, community health service institutions are encouraged to supply rehabilitation nursing services for older persons (CPG, 2011a).

The construction plan for the social care service system for older persons proposes three core components: home care, community care and nursing homes. Home care includes daily care, household assistance, rehabilitation, health care and mental health support. Door-to-door service is the main form of delivery, and its service targets are divided into older persons living independently and older persons with disabilities. Community care consists of two functions: daily care and home care support; and the service targets are older persons without family caregivers or with family caregivers who do not have the capacity to care for them. Nursing homes are to mainly offer professional services for older persons with disabilities (CPG, 2011b).

### *2.1.2 Revised Law on Protecting the Rights and Benefits of Older Persons*

In late 2012, the Law on Protecting the Rights and Benefits of Older Persons of the People's Republic of China was revised and adopted by the People's Congress (2013). The revised law makes several references to LTC, including: (i) Family and other caregivers should ensure that older persons who are sick receive treatment in time and should also be responsible for the cost of their treatment in case older persons have economic difficulties. For older persons who cannot take care of themselves, family and other caregivers must assume responsibility for the caring or entrust others or nursing homes to provide the needed care, with the agreement of the older persons (if they cannot provide care). (ii) The law also recognizes the need to develop rural and urban community care service and encourage and assist professional institutions, other organizations and individuals in offering daily life care, emergency rescue, medical care, spiritual support and mental health counselling for older persons (The Standing Committee of the National People's Congress, 2013).

### 2.1.3 *Government plans for building a long-term care system*

Structuring a viable system for delivering LTC services to older persons is a complex issue, which requires the Government to ensure the integration of LTC resources. The following elements are essential: (i) It is important to explore ways of integrating and coordinating the combination of health care and long-term care. As called for in State Council policy documents, medical institutions should actively support and develop health care and long-term care services. Grade II hospitals (Health Ministry, 1989) should open up geriatric departments, increase the number of geriatric beds and prepare for more effective delivery of chronic disease prevention and rehabilitation programmes for older persons. (ii) Medical institutions and nursing care institutions, such as nursing homes and community day care centres, should strengthen cooperation with each other.

It is also necessary to develop community health care services that can enhance the capacity of communities to provide daily care, chronic disease management, rehabilitation, health education and counselling. Traditional Chinese medicine should also be made accessible for older persons.

In 2014, the National Health and Family Planning Commission set up the aged work leading group to oversee the strengthening of links between medical facilities and nursing homes as well as the further development of family medical service and community care networks. It is also to ensure better coordination between the health system and LTC provision. Recently, the National Health and Family Planning Commission published two regulations on standards for medical institutions to follow when strengthening the capacity of nursing homes on medical issues.

### 2.1.4 *Quality management of long-term care*

To guarantee the optimum utilization of LTC resources, it is necessary to set up strict service provision standards and quality management systems. Central and local governments have published policies and standards on the delivery, service quality supervision and role of nursing professionals in LTC. Shanghai, for example, is the first province to introduce effective local standards, which it did between 2001 and 2013. These include the Evaluation System on the Care Needs and evaluation standards for geriatric hospital admission and Discharge. In 2014, the Shanghai government implemented evaluation systems that independent appraisal organizations conduct. Despite these local efforts, the Government has yet to establish uniform standards for LTC service provision.

In June 2013, the Ministry of Civil Affairs issued Regulations for the Administration of Nursing Homes and Regulations for Setting and Licensing of Nursing Homes to guide nursing home management and ensure quality of their LTC services. The Ministry then issued the Opinions on Promoting Elderly Care Service Evaluation, which has had good impact on the development of evaluation mechanisms for elderly care services.

The Opinions on Promoting the Training for Older Persons Services, which the Ministry of Education issued, indicates that China needs to promote the training for care service provision through the formal education system. It also needs to comprehensively improve education quality for care provision, enhance continuing education of professionals in the care services and encourage students to engage in care services. These measures will have a major role in facilitating the development of human resources for LTC.

## 2.2 Challenges to long-term care policies in China

Despite government efforts to develop an LTC system over the past few years, a comprehensive structure for delivering LTC for older persons is not yet in place. Some regions of the country have established a strong system for LTC and achieved good success. There are particular challenges still to be addressed: (i) Relevant laws and regulations need to be enforced. The revised Law on Protecting the Rights and Benefits of the Older Persons of the People's Republic of China, calling for the provision of LTC service for older persons, was adopted in 2012. Yet, detailed regulations on how to provide LTC have yet to be drafted. (ii) The LTC system thus far remains fragmented. Many of the current policies on ageing that address the different aspects of the rights of older persons refer to LTC, but there is no consolidated and comprehensive long-term care policy in place yet. This is an area in which there are gaps in progress between China and industrialized countries. (iii) It is imperative to address departmental segmentation. The delivery of long-term care by medical departments, the health system and social affairs are still segmented, which hinders effective cooperation among different departments. Additionally, support for family members offering LTC service need to be reinforced and regulated.

China has made good progress in providing LTC to its growing population of "oldest old", and the LTC system is developing gradually as an important part of the social care service system. Pioneering projects in some regions provide useful experiences that could be adapted in other regions of the country.

## 3. Good practices in long-term care in China

The following highlights the different schemes and modalities used for providing LTC in China. They range from a standardized assessment mechanism for LTC and LTC service provision to LTC insurance schemes.

### 3.1 Standardized assessment mechanism for long-term care needs

A cost-effective LTC system needs a screening mechanism to objectively determine its service target. The Government is exploring different mechanisms to establish a standardized assessment mechanism for establishing LTC needs and has encouraged local governments to carry out pilot projects.

Shanghai first started with its Standardized Assessment Mechanism for Elderly Care Services in 2001. The Shanghai Civil Affairs Bureau adopted the Shanghai Elderly Care Institutions Service and Management Standards that same year to determine the care needs of older persons in institutions. The standards include age, daily living activity status, health condition and special needs. Older persons are graded into four classes: classes three, two, one and special care for the purposes of receiving LTC. Older persons in the different classes are provided with a different level of care services, which promotes the standardization of the institutional care services.

In 2006, the Shanghai Civil Affairs Bureau launched the Shanghai Standardized Care Needs Assessment Mechanism for Elders to regulate the provision of community care services. This assessment uses the integrated Shanghai Standardized Care Need Assessment Forms and evaluates the care needs of older persons according to their daily living activities, cognitive capacity, emotional and other behavioural status, visual capabilities and social environment as well as presence of critical illness. As a result of the assessment, older persons are divided into three levels, namely normal or mild need level, moderate level and severe need level, for



receiving the specific level of care subsidies and care services. In 2013, based on other service standards, Shanghai Civil Affairs Bureau developed the Standardized Care Need Assessment Criteria, Standardized Hospital Admission and Discharge Assessment Criteria, Standardized Care Need Assessment for the oldest old and other local standards, which further strengthens the Standardized Assessment Mechanism for Elderly Services.

In 2014, all of Shanghai's existing assessment standards and policies were integrated into a practical Standardized Assessment Mechanism for Elderly Services. This assessment should be carried out by a third party and a waiting list should be prepared. This comprehensive assessment should cover most LTC services, including community care, residential care and home-based care.

After the successful pilot experience in Shanghai, other regions in China have been promoting the Standardized Assessment Mechanism for Elderly Services. For instance, as of 2010, the Zhejiang provincial government initiated a pilot assessment mechanism in some counties; the Beijing city government initiated the Assessment Standard for the Residential Care Services in late 2014; and also in 2014 the Harbin city government in Heilongjiang Province introduced the assessment mechanism to determine elderly service subsidy levels.

With the Standardized Assessment Mechanism for Elderly Services, many places in China can allocate services in a more objective and effective manner and provide services for older persons who are most in need, such as the very old or those with disabilities or living in poverty.

### 3.2 Provision mechanism for long-term care service

There are three main modalities of LTC service provision in China: residential care, community care and institutional care services, as the following describes.

#### 3.2.1 Residential care services

Residential care services are the first choice of older persons who suffer from a moderate to severe level of impairment. This kind of care includes informal care provided by family caregivers and formal care provided by professional care institutions.

Family caregivers have the most important role in residential care. A 2010 survey found that most of the older persons who are suffering from a moderate to severe level of impairment were cared for by their family. Only a small proportion of older persons relied on professional caregivers (CNCA and CRCA, 2010).

The nature of the residential care provided by the professional institutions include personal care, meal service, housekeeping, nursing care, transportation services, home visits, case management, emergency assistance and improvement of infrastructure. The caregiver support services include short-term training on care skills and economic subsidies to caregivers. The Nanjing city government began providing economic subsidies for the family caregivers in late 2014. Family members who take care of the following elder dependants can apply for the subsidies: (i) people with economic difficulties; (ii) people with a moderate or severe level of impairment; (iii) people aged 70 or older whose only child has died or is disabled; and (iv) people aged 100 or older. The subsidy level depends on the condition of the older person. Family members who take care of older persons having a moderate level of impairment can apply for 300 yuan (CNY) per month, while those who take care of older persons with a severe level of impairment can apply for CNY400 per month.

Despite the legal and policy emphasis to maintain family caregiving and as already noted, the traditional family support system is under pressure due to the reduction in family size, increased participation of women in the labour force and increased hours of work (Wu and others, 2014). As a consequence, the demand for professional residential care and caregivers is increasing.

### 3.2.2 *Community care services*

Community care is an important part of the LTC system. The key elements encompass day care centres, community care management centres, integrated community care centres, community health service centres and meal service for older persons. The service content consists of direct care service as well as the economic subsidies. The direct care services are meal service, personal care, day care, health care, household care, emergency assistance, information services, spiritual care, legal assistance and the improvement of infrastructure. The economic subsidies are delivered via (i) direct allowance, in which service providers and service consumers receive subsidies directly and (ii) indirectly through government purchase of health care services.

By the end of 2013, the Beijing city government had constructed 4,240 meal service centres, 196 community care management centres, 102 integrated community care centres and 4,397 day-care centres (with 6,078 beds) (CNCA, 2013). The government also launched the Home Care Service 'Nine Supports' Policy for Elderly and Disabled in Beijing in 2008 and provided monthly service vouchers valued at CNY100 to people older than 80 and older persons with disabilities. With this voucher, older persons can buy several types of services from registered service providers, including meals, baths, haircuts and housekeeping. In 2013, the total value of service vouchers provided amounted to CNY450 million, and 11,000 service providers were providing voucher-based community care services (CNCA, 2013). The Beijing city government is now looking to replace the service voucher with a service card.

By late 2014, there were 1.16 million beds in community day-care centres in China, up from 0.8 million in 2013; most of them were located in urban areas (Ministry of Civil Affairs, 2014). Yet, community care service remains limited. The development of community care has a ways to go towards meeting the needs of the growing number of older persons.

### 3.2.3 *Institutional care services*

Institutional care has a supplementary role in the LTC system. The institutions that provide care for older persons include nursing homes in urban areas, homes for the aged in rural areas, hostels for older persons, hospices and nursing stations. They provide residential services, personal care, health care, mental health care, nursing care (especially 24-hour nursing care) and hospice care.

Although the number of institutions has increased rapidly, the service capacity cannot meet the growing need. By the end of September 2014, there were 35,288 institutions for older persons and nearly 4 million beds (Ministry of Civil Affairs, 2014). The ratio of institutional care beds to the older population was 1:39 in 2014. According to projections, China will have 223 million people aged 60 or older in 2015 (Ministry of Civil Affairs, 2014). Taking into account that around 3 per cent of older persons will need institutional care, some 6.7 million institutional care beds are required, representing a shortage of more than 1.5 million beds (Wu and others, 2013, p. 149).

Additionally, professional care facilities are limited. A 2014 report on the care services sector pointed out that of the total number of institutions for older persons, 87 per cent supply daily care, 10 per cent provide professional health care and only 3 per cent offer hospice care (Wu and others, 2014). According to research on the situation of urban and rural older persons with disabilities, half of the care institutions in the sample could only care for healthy older people – not the older persons really in need of care (Zhang and others, 2011, pp. 11–16)

Institutional care service is one of the most important elements of the LTC system. Several issues related to institutional care services for older persons remain critical challenges, such as ensuring adequate standards, the shortage of professional service providers and limited human resources.

### 3.3 Long-term care insurance scheme

The Government is exploring the establishment of a government-led LTC insurance scheme and encouraging commercial insurance companies to join the LTC insurance market.

The city of Qingdao in eastern Shandong Province initiated an urban LTC insurance scheme in 2012, beginning with the Opinions on the Establishment of a LTC Insurance System policy released midyear. According to the policy, the insurance provides financial support for people with disabilities and older persons suffering from a moderate or severe level of impairment, while nursing homes provide general care services for older persons. The following table highlights details of the Qingdao LTC insurance scheme.

**Long-term care insurance scheme in Qingdao city**

Items	Content
Implementing region	Urban area in Qingdao city.
Participants	The workers and retirees enrolled in the urban medical insurance system, older residents, people who are severely disabled and people who are unemployed and holding an urban <i>hukou</i> registration.
Insured principle	Reach participants who are suffering from a moderate or severe level of impairment.
Financial resources	One part of the financing is transferred from the urban medical insurance system, including the medical insurance for retirees and urban residents. Another part comes from the fiscal system, which transfers resources from the Public Welfare Fund, with an annual value of CNY20 million.
Service content	Home-based LTC, LTC in institutions, LTC in hospitals.
Insured content	The insured money is paid to the care providers directly: CNY60 per bed per day for home-based care and institutional care, CNY170 per bed per day in Grade II hospitals and CNY200 per bed per day in Grade I hospitals.

Source: Cao Yong, "The best choice of the Elderly Service System in China – Take the Qingdao model as an example", paper presented at the forum of the Ministry of Civil Affairs of the People's Republic of China, Beijing, 2014.

By June 2014, nearly 3.7 million people were participating in the LTC insurance scheme, with 400 institutions having joined the service provision system, and CNY450 million in direct benefits paid to 250,000 people in Qingdao (Qingdao Civil Affairs Bureau, 2014).

On the basis of the successful experience of Qingdao, other cities launched experimental LTC insurance coverage. For example, the government of Wuxi City in Jiangsu Province initiated a pilot insurance scheme for older persons who had had only one child but who had died as of 2014. The government of Suzhou city in Changzhou Province also launched a pilot LTC insurance scheme. These pilot projects have been helpful in offsetting the high cost of LTC for older persons.

## **4. Long-term care service and caregivers**

Under the planned economy era in China, the Government provided institutional care for older persons in addition to the primary support by the family. As China grew into an ageing society, the Government began calling upon various caregivers, including government agencies, communities and institutions as well as families, to provide the care. The Government has thus evolved from a caregiver into a policymaker, service enabler and service supervisor, while communities, institutions and families now directly provide the care. LTC services comprise informal care given to elders by family members and formal care provided by professional institutions or communities.

### **4.1 Role of caregivers**

#### *4.1.1 Government shifts from caregiver to service buyer*

The Government of China has a long history of caring for older persons. At the founding of the People's Republic of China, welfare services for older persons were mainly provided by government at various levels and some companies or organizations. Since the opening of the economy and consequent reforms, there has been a trend towards the socialization of caregivers to relieve the financial burden on government. As already noted, China is ageing rapidly and the number of older persons needing care has increased but family support for them is diminishing. A series of policies were issued to establish an elderly social care service system based on family and community providers, with some institutional support. Thus, the Government is now mainly responsible for planning, formulating guidance and supervising care providers rather than directing care provision to older persons.

Since 2011, the Government has paid increased attention to LTC and issued regulations on the construction of institutions that combine health care and long-term care. The Government licenses private institutions, determines the roles and relationships among different caregivers, prescribes the content of services, provides criteria for care subsidies and conducts service evaluations. By offering preferential policies on land allocation, credit, operation expenditure and government procurements, the Government has also made efforts to encourage non-profit organizations, social organizations and enterprises to provide LTC for older persons. However, as already pointed out, a comprehensive policy for LTC and a comprehensive insurance scheme have yet to be established, both of which are required for the sustainable provision of LTC.

#### 4.1.2 *Family members as primary caregivers for elders in need of long-term care*

As per the Chinese traditional culture of filial piety, the younger family members bear the main responsibility to care for older persons. According to the China Family Development Report, 90 per cent of older persons reside at home (National Health and Family Planning Commission, 2014), and their main caregivers are spouses, sons, daughters-in-law and daughters (Zhang and others, 2011). Family members need to not only provide LTC for older persons but also pay for it. Frail older persons of course have urgent needs for LTC, but 60 per cent of the older persons in China with a lower-middle income status cannot afford it (Pei and Fang, 2010). Furthermore, LTC insurance is still being piloted in Qingdao, Jiangsu and Shandong cities and has not been established across the country. Thus, the LTC costs for older persons are still borne mainly by families. But as pointed out previously, with increasing migration to urban and industrialized centres, a continuous reduction in fertility rates and a greater number of adult women participating in the workforce, family support for older people is diminishing. Faced with this situation, cost-effective solutions for community and home-based care that enable older persons to stay at home for as long as possible are urgently needed.

#### 4.1.3 *Communities are the main platforms for home-based long-term care*

The Government is exploring a suitable social care service system in which 90 per cent of older persons are expected to receive care from family members, 7 per cent to receive assistance from their community and 3 per cent from institutions. The 90 per cent of elders who reside at home will also need community support in some form, so communities are expected to become the main platforms for home-based LTC.

The *First Phase Report on National Home-Based Care for the Elderly* (CNCA, 2014) noted that 89.1 per cent of respondents in Beijing, Shanghai, Guangzhou, Shenzhen and 10 other cities thought it is necessary to establish community and home-based care centres. This suggests that communities definitely have important roles in providing age-friendly environments, barrier-free facilities, human resources optimization and the establishment of LTC institutions.

With a rapid increase in the older-old population and the older populations with disabilities, some provinces are exploring community and home-based models to satisfy the needs for LTC. The government of Beijing, for example, is developing a combination of social welfare centres and community health care centres. The Jiangsu city government encourages social sector organizations to operate home-based care centres. And the Hunan government is exploring a mutual support model for elders called “time banking”, in which a younger volunteer who provides services for an older person for an hour in the same community is credited with one hour that can be redeemed for an hour of service from another volunteer when that person needs elder care. In Beixinqiao Street, the Beijing government is establishing a smart caring community for elders, where elders can access information about household services, emergency assistance, health care, online counselling and others (China Philanthropy Research Institute, 2014).

Communities are taking up important roles in combining nursing home service with health care, promoting the participation of social sectors in the provision of LTC, promoting mutual support among elders and building information networks of community-based LTC for elders.

#### 4.1.4 *Institutions as professional caregivers for the oldest-old and older persons with disabilities*

According to the “9073” plan,<sup>1</sup> about 3 per cent of older persons (the oldest and those who are bedridden) will receive LTC provided by institutions but under government supervision. The Social Care Service System Construction Plan (2011–2015) seeks to construct combined medical and nursing care institutions and mandates counties, county-level cities and city districts to develop at least one medical-nursing institution that accepts older persons who have difficulty performing daily living activities.

There is a gap between the huge LTC needs of older persons with disabilities and the small number of beds in institutions. According to the China Research Center on Aging, 16.6 per cent of older persons with disabilities are willing to reside in nursing homes. Taking into account the total number of older persons with disabilities in 2013, it appears there were more than 6.2 million frail older persons who needed to live in a nursing home that same year. According to the 2013 China Civil Affairs’ Statistical Yearbook, nursing homes in China had admitted 676,500 older persons by the end of 2012 (Ministry of Civil Affairs, 2013). But that accounted for only 10 per cent of persons who required institutional care. Although the number of older persons in nursing homes increased in 2012, compared with 2011, it still did not cover all older persons in need of institutional care.

There are both public and private institutions available for older persons. Public institutions mainly provide care for the most vulnerable elders who are poor, disabled, the oldest-old (older than 85) or have no children. Private institutions can provide diverse care for all older persons, according to their different needs. Some policies have been issued to promote reform of the public institutions.

As previously noted, nursing homes have an important role in providing nursing and health care for elders. Several city governments in China have developed ways to combine nursing homes and health care, including cooperation between medical institutions and nursing homes, establishing medical departments within nursing homes and increasing nursing beds in medical institutions. Some have found ways to share resources. In Xiamen city, for example, public nursing homes are operated by the private sector. In Ningbo city, the public and private sectors cooperate to operate nursing homes.

## 4.2 Human resources and long-term care provision

Human resources are a critical element in the effective provision of LTC. There are serious human resource constraints currently in China, as the following elaborates.

### 4.2.1 *Shortage of caregivers and lack of professional knowledge and skills*

In 2013, there were 37.5 million older persons in China who had difficulty performing daily living activities (Wu and others, 2013). Based on an assumption of one caregiver is required for every four older person in need of care, there was a need in 2013 for 9 million professional caregivers (Wu and others, 2013, p. 163). Yet, at the end of 2012, there were only 320,000 professional caregivers across the country, of which only 8,225 had received a skill appraisal

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<sup>1</sup> First initiated by the provincial governments in Sichuan and Shanghai, the “9073” plan is a social care service plan for older persons: it represents a goal in which 90 per cent of older persons acquire home-based care, 7 per cent obtain community nursing service, and 3 per cent rely upon nursing homes.

from the Ministry of Civil Affairs (MCA, 2013b). Obviously, the gap between the required number of caregivers and the actual number available is huge.

Most caregivers are laid-off workers or rural-urban migrant workers who lack much education as well as knowledge and skills for LTC (CPG, 2011a). They rarely receive professional and comprehensive LTC training. Most of them can only provide household services rather than medical care or counselling. According to a survey on nursing homes in Wuhan, the capital of Hubei Province, almost 70 per cent of 1,897 caregivers had only a junior secondary education or less, while only 4.6 per cent of the respondents had a junior college education or more (Fang, 2013).

To improve the professional level of caregivers, it is important to establish a formal caregivers training system and develop a comprehensive nursing and medical care specialty for the care of older persons.

#### 4.2.2 *Caregivers for older persons are poorly paid and poorly appreciated*

In America, the annual per capita income of community and social workers is the same as the national average income. In China, the average income of caregivers is lower than the local average income. For example, in Yantai city in northeastern Shandong Province, the average monthly salary of a caregiver was CNY1,448 in 2009, CNY1,807 in 2000 and CNY2,200 in 2011, respectively accounting for 56.8 per cent, 64.7 per cent and 70.6 per cent of the local average monthly income. Although increasing, caregivers' average monthly salary still lags behind the local average monthly income in Yantai city (Song, 2013).

Low wages, difficult working conditions and limited recognition of care-work in society lead to high employee turnover. To reduce employee turnover, it is essential to increase caregivers' income, improve their working conditions and respect their dignity.

#### 4.2.3 *Promotion path and career planning for caregivers are not clear*

LTC for older persons mainly includes health care provided by doctors and nurses and daily life care provided by front-line workers in nursing homes or community care centres. As to the staff structure in all types of nursing homes across the country, front-line workers, who mainly provide daily life care for elders, account for the biggest part. But there is no clear promotion path or career planning for such employees.

In 2014, the Government issued the Opinions on Promoting Training of Services Professionals to promote "double certificates" (for professional caregiving skills and the corresponding academic degree) among caregivers of older persons. Although the Government issued the National Professional Standard of Nursing Caregivers in 2005 to define care for older persons as an occupation and divide caregivers into four levels, most nursing homes do not comply. It is vital for nursing homes to offer a clear promotion path for caregivers, from front-line workers to managerial positions.

Above all, it is urgently important to optimize human resources engaged in LTC. First, it is important to offer different promotion paths for caregivers, according to their ability. Second, it is essential to improve their income and professional skills. Third, higher education in nursing management should be augmented. Last but not the least, there is a need to train more advanced care management professionals, including care managers and care planners.

## 5. Financial support of long-term care

Although the family has traditionally been the main funding resource for LTC in China, government at all levels have given financial support for LTC in many ways, including: (i) direct investment to respond to the special needs of the ageing population, such as the Five Guarantees scheme for eligible older persons and a general benefit safeguard for older persons;<sup>2</sup> (ii) purchasing LTC services for older persons and offering financial support for family members; and (iii) developing policies for the social care service system for older persons, such as the policy for the subsidized supply of land, tax incentives and financial subsidies. In 2014, the total amount of budget for care service amounted to CNY2.5 billion. The central Government allocated CNY2.4 billion to support projects related to national care service industry reform (MOF, 2014). As with other public services, government funding for elderly services can stimulate social investment so that they develop smoothly and appropriately.

### 5.1 Direct financial support

According to the Law on Protecting the Rights and Benefits of Older Persons of the People's Republic of China, which was revised in 2012, the State will gradually promote the development of LTC. One of the aims is to support older persons who are completely disabled and/or impoverished; the law mandates governments at all levels to provide special subsidies to older persons that will improve their living conditions. In 2013, the annual report from the Ministry of Civil Affairs showed that 18 provinces had introduced policies on economically supporting people aged 80 or older, 22 provinces had established subsidy systems for older persons living in extreme poverty and three provinces had established an LTC insurance scheme (the provinces of Hubei and Jiangsu are also in the process of creating an LTC insurance scheme). In addition, older persons in Shanghai, Tianjin city, Xi'an city and Heilongjiang Province can receive CNY100–CNY300 per month as a care subsidy (Ministry of Civil Affairs, 2013).

There is also available some medical care expenses support. For example, the National Health and Family Planning Commission gives 2 million older persons who have lost their only child a monthly subsidy of CNY170 in rural areas and CNY340 in cities. Since 2009, Beijing and Jining city have provided free medical care for senior citizens aged 95 or older. During 2009–2011, some 110 million older persons received health checks for free and the expense of CNY25 per person for the public health service fee was subsidized by the Government.

As previously pointed out, the Government provides financial support to the supply side of ageing services, such as nursing homes and community care. For example, funds have been provided for the construction of nursing home facilities in rural areas. By the end of 2014, the Government had allocated an estimated CNY1 billion to such projects from the Lottery Fund, with more than 30,000 nursing homes receiving financial assistance.

Many communities also have received financial support from the Government. For example, in a community nursing home in Wuhan city receives CNY4,000 for each bed or CNY200 per month as operating funds and CNY80,000 for achieving certain reconstruction standards.

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<sup>2</sup> The general benefit safeguard requires governments at all levels to increase investment in the development of long-term care for older persons in terms of providing appropriate aid, promoting medical research, building up public infrastructure and medical insurance schemes. The Five Guarantees scheme requires the State to improve the social security system to guarantee medical care, self-fulfilment, happiness, education and knowledge among older persons.



## 5.2 Indirect financial support by purchasing service

According to the Notice on the Work of the Government to Purchase Care Service for Older Persons, issued by the National Development and Reform Commission, the Ministry of Finance, the Ministry of Civil Affairs and the China National Committee on Aging, by 2020 China will establish a system in which the Government purchases care services for older persons. The provincial governments in Heilongjiang, Anhui and Qinghai already purchase social services, such as housekeeping services, entertainment, health care, legal services and education, for older persons, especially for the ones covered by the Three Nos (for destitute older persons) and the Five Guarantees schemes. In Qinghai Province, the government purchases community services for older persons with special needs, such as meals, housekeeping, personal care, health care and emergency aid. In 2014, the Nanjing provincial government allocated CNY30 million to support family members with dependant older persons, with each family receiving CNY300-CNY400 per month.

## 5.3 Policy support

The Government has introduced many policies to promote the pension service industry. Ministry of Land and Resources policies indicate that the Government will vigorously support the development of a pension service through preferential land allocation. As well, according to the documents issued by the State Council, the Ministry of Finance and the State Administration of Taxation, nursing homes will be exempted from paying business tax, and non-profit institutions for older persons will be exempted from paying income tax. Government at all levels are also offering subsidies based on the provision of beds and other professional facilities, construction or reconstruction of infirmaries and physical facilities.

## 6. Potential problems for long-term care

Government agencies at all levels, such as the State Council, the China National Committee on Aging, the Ministry of Civil Affairs and the National Health and Family Planning Commission, have focused on LTC, with government investment gradually increasing and the LTC insurance scheme being piloted in some places. Combined, these efforts are laying an important foundation for LTC development in China, although many challenges remain, as the following points out.

### 6.1 Current situation of long-term care service

The development of an LTC service system has made considerable progress, and the demand for community services has also significantly increased. The Tracking Survey of the Aging Population in Urban/Rural China found that 31.8 per cent of urban older persons need housekeeping and nursing care assistance. Around 84.3 per cent of those needing these services are supported by spouses and adult children, 0.8 per cent receive assistance from a nursing home, and 7.7 per cent receive help from NGOs and other non-profit organizations. That leaves around 6 per cent in need who do not receive any care (CNCA and CRCA, 2010).

In rural areas, the demand from older persons with disabilities for LTC increased by 51 per cent from 2000 to 2006 (Zhang and others, 2011), and the demand for LTC in rural areas is expected to increase further.

## 6.2 Potential problems

Family members are still the main caregivers for older persons largely because formal LTC services are still limited. The Tracking Survey of the Aging Population in Urban/Rural China also found that nearly 88 per cent of older persons with disabilities are cared for by family members (CNCA and CRCA, 2006). But according to academic analysis, the caring time required of family members could be reduced by 10 hours or so per week when the informal care is combined with formal care (Xiong, 2011).

On one hand, the formal LTC services cannot respond to older persons who need rehabilitation nursing, medical care and hospice care because the present service delivered within communities is predominantly housing related, which needs the involvement of family members. On the other hand, LTC delivered by community care centres or nursing homes, such as respite care (which is paid by a government programme and provides short periods of professional nursing home care or community day care for older persons so that family caregivers can have a rest) have been developed in some cities.

Community LTC service has great potential to develop further in quantity and content. Currently, communities are providing respite service in day-care centres in Beijing, Shanghai and Zhejiang. However, such services are far from adequate. LTC facilities in urban communities overall are grossly insufficient, particularly in the central and western regions of China (Zhang and others, 2011). According to a 2011 survey with 3,412 older persons living in central China, community LTC services lag behind in both personal care and door-to-door service: Only 5 per cent of all older persons requiring care can access personal care service, with 11.2 per cent able to access door-to-door service (Xiong, 2011). In rural areas, the services provided within a community are generally limited to helping carry water, calling for a doctor, administering medicines and helping with farm work, which certainly cannot meet all the needs of older persons. Along with the construction of a comprehensive social care service system for older persons in the near future, communities need to make more effort to provide a range of LTC services for their older residents.

The potential of nursing homes as the supplementary part of the social care service system have yet to be explored fully. Nursing homes that accept older persons who are completely disabled are generally private sector operated. Public nursing homes, on the contrary, are more inclined to accept healthy and non-disabled older persons. At the same time, the quality of LTC services in the private sector is generally poor for many reasons, including long gestation costs to recover their investments leading to reductions in the operating costs.

## 7. Policy suggestions

Both the central and regional governments have introduced relevant policies and explored practical ways and acquired experience to meet the increasing demand for LTC. The development of a long-term care system is in its primary stage, and it is necessary to learn lessons from other countries and continuously modify and improve the system in China. The following recommendations are offered to help improve the long-term care services in China; they cover the areas of essential service provision, evaluation of needs, long-term care insurance, family support plans, regulations, facilities and human resources.

- (1) **Establish a LTC basic service system to guarantee response to the needs of vulnerable groups.** Basic care services for older persons should include the following: basic life care, rehabilitation, spiritual concerns, emergency rescue, legal assistance and

social participation, which should be offered to all elders. The supply of these services should be regulated and guided by the Government and funded by the public budget. Only through the establishment of a comprehensive LTC system can China provide basic services for older persons. An LTC service evaluation system and an LTC insurance scheme should also be established as integral parts of the services.

- (2) **Establish assessment and evaluation standards for LTC needs and for measuring the efficiency of LTC services.** There are two types of LTC needs evaluation systems in use at the international level. The first method is oriented around the health condition of older persons, without a focus on their economic condition. Any older person qualifying as per the need assessment is given services. The second method first filters out applicants for LTC services based upon economic condition and capacity of family to support older dependants. Those who are found to be in a poor economic condition and without caregivers are offered LTC service allowances from government. In China, some regions conduct LTC evaluations by synthesizing the two types of evaluation methods. Many regions lack objective evaluation indexes, however. Therefore, establishing a set of standardized and easy-to-use evaluation scales is essential in China. Third-party evaluations would also be useful to ensure objectivity. This would promote the optimized allocation and improve efficiency of LTC services.
- (3) **Establish an LTC insurance scheme at the national level to ensure the sustainable development of LTC.** Based on the current social and economic situation, the Government of China should establish a scheme of commercial care insurance combined with social care insurance. That would mean that commercial care insurance would cover older persons who have no means to pay and provide subsidies to ensure affordable insurance premiums for individuals. In due course, the LTC insurance could cover all older persons. However, universal health coverage may be a prerequisite.
- (4) **Establish family support programmes for LTC and consolidate the foundation of LTC services offered by families.** In China, the family is the main provider of LTC. Consolidating the foundation and enhancing the capacity of families to continue providing care to older dependants are important tasks. The shrinking of family size, the declining number of children and increasing proportion of female participation in the labour force has weakened the capacity of families to provide LTC. Measures are needed that will help families provide care. The Government should consider setting up a family support allowance system to be funded by the State. Recently, the provincial government of Nanjing announced it would provide subsidies for family members taking care of older dependants. Other provinces and cities could take similar measures to enhance family support, such as tax cuts and subsidies to encourage children to live with or close to their parents; ensuring that aged elders live at home by enlarging the scope of government-provided services; and assisting home-based care by establishing daily-care centres within communities. It is also essential to make full use of health care resources in communities, expand professional training and recruit volunteers to improve the provision of LTC in communities. Generally, community-supported care services include home assistance and respite care, which are beneficial for reducing the physical exhaustion and mental stress of family providers.
- (5) **Improve specific laws and policies for LTC services.** In most industrialized countries, the basic social security system and national pension system were established through legislation at a time when per capita incomes were still relatively low. Provisions for

long-term care were reduced only at a later stage, when the cost for long-term care became too high to be borne by the health care system only. The Government of Japan issued the Nursing Insurance Law in 2000 and then formulated an operating system for nursing homes. Similarly, in Taiwan Province of China, the Government began to pay attention to LTC after adoption of its Senior Citizens Welfare Act in 1980.

- (6) **Plan and implement the distribution of LTC services, in tune with the needs of older persons.** In general, LTC services are planned and implemented based on the availability of service providers – families, communities and institutions, especially the professional services provided for older persons with a severe level of impairment or dementia. In Sweden, the LTC system includes health care support for the family, day-care centres, communal life care centres, service centres, hostels for elders, nursing homes, convalescent homes and geriatric wards. In Hong Kong, China, the LTC system consists of community care and residential care. Community care services include district community centres, support teams for older persons, neighbourhood centres, social centres for older persons, day-care centres, enhanced home and community care services and integrated home care services. Residential care services include hostels for older persons, homes for the aged, care homes for older persons, nursing homes, contract homes, emergency placement and respite services.

The LTC institutions in China consist of hospitals, care institutions and home-based hospital beds. Building upon the experience of industrialized countries and regions, China should conduct a detailed assessment and classification of LTC institutions based on service content, location, fees and service times, such as the home and community-based care, medical care and centralized care, and then frame policies and guidelines on services to be provided within each category.

- (7) **Prepare a comprehensive plan for the training and recruitment of human resources.** There is a shortage of trained caregivers for older persons in China, and there is urgent need to develop a training system based on different categories and levels of caregivers. Based on insights from international experiences, a comprehensive training system provides the foundation for effective LTC development. Germany enacted the Professional Law of Nursing Care for Elders in 2003, which lays down criteria on qualification assessments of caregivers and admission requirements for nursing care training and examinations. In Japan, people cannot work in welfare institutions unless they have the requisite certification. Community care in Japan has been brought under the formal teaching curriculum and became a specialty in 1997. The United States offers nursing care for older persons as a specialty at universities and offers qualification examinations for registered nurses. Considering the shortage of long-term caregivers, China should develop a training system for caregivers at different levels and establish a qualification assessment of caregivers to develop a pool of LTC professionals.

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