

Analysis of the Business Model of Taikang Elderly Care Community

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Abstract. The human society is entering the era of longevity, accompanied by the exacerbation of the aging problem in society. To achieve the happiness of the elderly in their old age, providing better care and health support for the elderly, and release the pressure of offspring taking care of the elderly's daily life and inconvenient medical treatment in certain regions, the requirement for elderly care communities is increasing every day. Taikang Life Insurance Co., Ltd. responded to the market demand, and established a big health industry system. Taikang creates three closed loops of "live longer, healthier, and richer", established a "Taikang Community · Yan Yuan" elderly care community. This community relies on a medical and elderly care integration model called "one community+ one hospital". The purpose of this model is to create a new lifestyle of "Elderly Disneyland" and "Five in One" while achieving simplicity, comfort, energy conservation, environmental protection, and humanistic care, laying the foundation for Chinese new elderly care model.

Keywords: Taikang, insurance, elderly care community, social aging, medical and elderly care integration.

1. Introduction

In recent years, with the decline in population fertility rate, the pressure on elderly care has been increasing in Chinese society. Even the national government issues policies to encourage childbirth, it cannot change the declining trend of China's fertility rate. It is common for elderly people to have no place to care for and no place to rely on. Some elderly people do not have children, or their children cannot accompany them when they go out to work. These elderly people cannot meet their retirement needs alone, so more and more people are considering elderly care community. Besides, some young people have no plans to have a child nowadays, and as they approaching to the old age, the problem of having no family to support will become even more severe in Chinese society. The population statistics of 2022 released by the China Bureau of Statistics shows that the population aged 60 and above is 28.04 million, accounting for 19.8% of the national population. Compared to the population survey of 2020, the proportion of the population aged 60 and above has increased by 1.1%. These data indicate that the problem of China's aging population is becoming more severe and urgently to be solved. The elderly care model needs to provide more health and welfare support for the elderly people [1].

The Chinese government has proposed multiple elderly care measures to provide policy support and help actively respond to the aging population. In response to the appeal of the eras, the government and the market, Chen Dongsheng, the Chairman of Taikang Insurance Group Co., Ltd., believed that the elderly care model must be reformed in 2007. He proposed Taikang is intend to enter the elderly care service industry, striving to achieve the goal of providing for the elderly, enjoying the elderly, playing for the elderly, and doing for the elderly. Over the past 15 years, Taikang has taken one step at a time, collaborating with insurance companies in 33 cities to establish and open 20 elderly care communities in 19 regions including Beijing, Shanghai, and Guangzhou, gradually putting the elderly care revolution plan into practice.

In recent years, Taikang has gradually improved its elderly care service system and continued to build more comprehensive elderly care communities. However, existing literature has not conducted a comprehensive analysis of its latest business model. This article focuses on Taikang's construction

of elderly care communities as the main analysis goal, aiming to analyze the elderly care model and the business model of combining medical and elderly care.

2. Transforming the Elderly Care Model and Building Elderly Care Communities

In recent years, home-based elderly care has been the main mode of elderly care in China. However, due to the intensification of China's aging problem (Fig. 1), and accompanied by problems such as lack of care and inconvenient medical treatment, the elderly care model urgently needs to be reformed. With the increasing social attention to the problem of difficult elderly care, the country has issued multiple policies to promote China's transformation and development from traditional home-based elderly care to elderly care communities [2]. Community elderly care is one of the elderly care models, which is based on the traditional family centered elderly care and relies on the community, aiming to provide the elderly with more comprehensive nursing services and a happier later life.

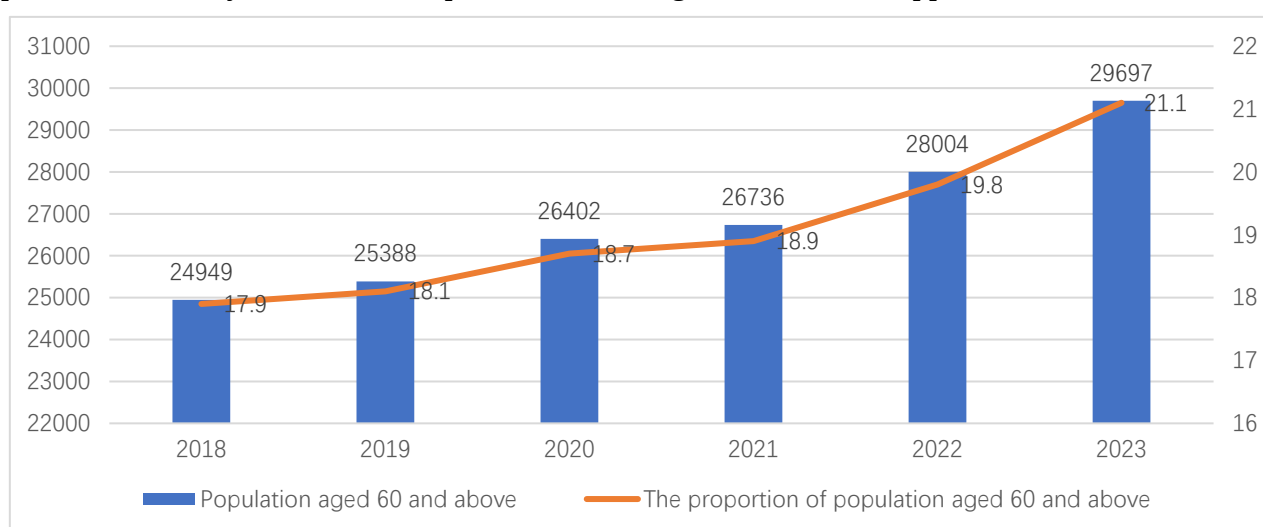


Figure 1. 2018-2023 China Population Statistics

(Picture Credit: China Bureau of Statistics)

Against the backdrop of policy support, elderly care communities across China have sprouted like mushrooms after rain. According to statistics, as of 2023, there are tens of thousands of various elderly care institutions and service facilities built in Shaanxi Province alone, including 857 elderly care institutions and 16921 home-based elderly care service facilities, totaling 17,778 [3]. According to statistics from the Chinese Ministry of Civil Affairs, the number of community elderly care institutions and facilities has shown a significant upward trend in recent years, increasing from 136000 in 2018 to 347000 in 2022, a 2.5-fold increase. The coverage rate of urban community comprehensive service facilities reached 100% as early as 2020, while the coverage rate in rural areas has also been gradually increasing in recent years (Fig. 2).

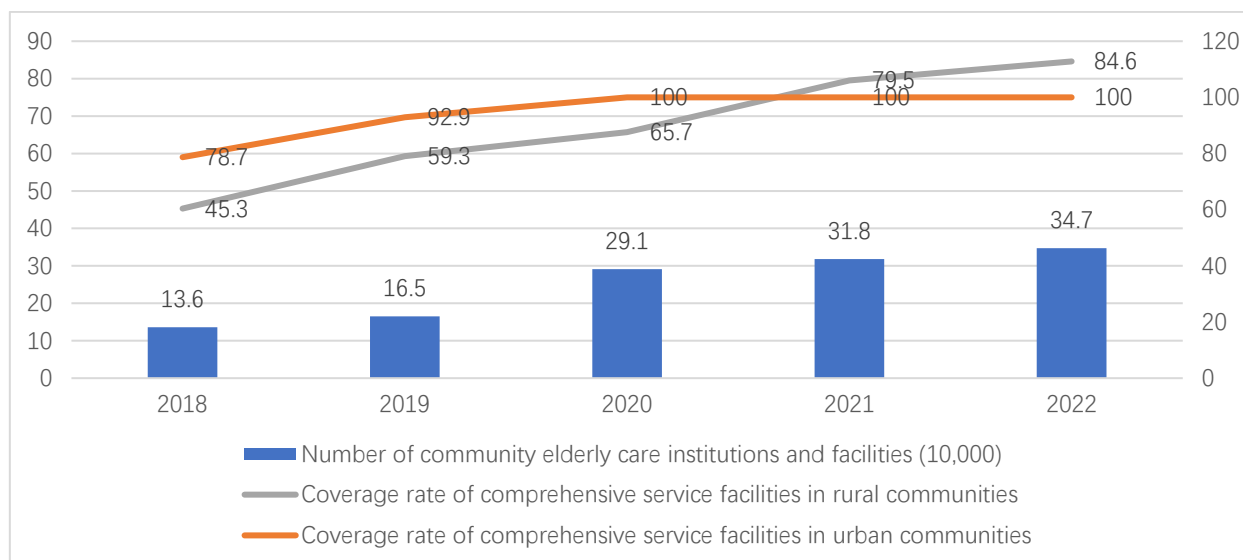


Figure 2. Statistics of elderly care institutions

3. The Development History of Taikang's "Medical, Elderly Care, Health, and Tranquility" Physical Service System

3.1. Referring to the United States, Exploring the Business Model of Elderly Care Communities

In 2007, Chen Dongsheng, Chairman of Taikang, believed that the elderly care model for Chinese people must be reformed, and the idea of leading Taikang into the elderly care service industry began to take shape. On January 6, 2008, Taikang Home Wangjing Elderly Club opened. In the same year, Chen Dongsheng led a team to the United States to investigate the modern elderly care model in local elderly care communities. What left a deep impression on Chen Dongsheng was the Dawn Elderly Care Community in Charlotte, North Carolina, USA. A community consisting of only about four to five hundred households, it had already equipped itself with the extremely enviable living hardware facilities and cultural and elegant environment. Its advanced and open-minded nature made him suddenly enlightened, completely overturning his inherent understanding of elderly care [4]. Subsequently, Taikang assigned a team to conduct on-site inspections and selection of land parcels in various regions, and surveyed over 200 alternative land parcels in Beijing alone. In April of the same year, Taikang submitted a pilot application and feasibility analysis report for related projects to the China Banking Regulatory Commission [5]. On November 19, 2009, the China Insurance Regulatory Commission officially approved Taikang Life Insurance's proposed equity investment plan for elderly care communities.

3.2. The Established of Taikang Community

On March 26, 2010, Taikang Community, the first elderly care community investment entity in China's insurance industry, was officially established. After a year and a half, the Taikang Community Life Experience Museum officially opened on August 22, 2011. In April 2012, the first "Happy Appointment Elderly Care Plan" that combines elderly care communities with pension insurance was successfully sold. On June 26, 2015, "Taikang Community · Yan yuan" opened source operation.

3.3. National Chain Operation of Taikang Community, Sparking a Revolution in Elderly Care

In 2016, Shanghai's "Taikang Community · Shen yuan" opened and operated. In 2017, Guangzhou's "Taikang Community · Yue yuan" opened and operated. In 2018, the "Taikang Community · Shu yuan" in Chengdu opened for operation. In 2019, Suzhou's "Taikang Community · Wu yuan" and Wuhan's "Taikang Community · Chu yuan" opened for operation. In

2020, "Taikang Home · Daqing Valley" opened and operated in Hangzhou. In 2022, Taikang implemented 31 project layouts in 27 cities across the country and operated 13 elderly care communities in 12 cities. In 2023, 18 communities in 17 regions across the country opened and operated, and the third phase of "Yan yuan" opened grandly. As of 2023, Taikang has established 32 cities and 36 projects nationwide (Fig. 3).



Figure 3. National Layout of Taikang Home (Picture Credit: Taikang Elderly Care Community)

4. Analysis of the Business Model of “Taikang Community · Yan yuan”

4.1. Introduction of “Yan yuan”

As the first flagship community of Taikang, “Yan yuan” is in the core area of Changping District New City, about 40 kilometers from the center of Beijing. The total investment is about 6.36 billion yuan, covering an area of 140,000 square meters, with a total above ground construction area of about 310,000 square meters [6]. “Yan yuan” is divided into three phases for development and construction, providing over 3000 elderly care units. Since its opening on June 26, 2015, Yan yuan has occupied 2023 households with a total of 2795 people. Among them, there are 1652 households and 2,424 residents living in the independent living area; 371 people are staying in the nursing care area. The average age of community residents is 82.2 years old.

The third phase of Taikang Community · Yan yuan consists of a vitality center (Building 19 in Fig. 4), four independent living buildings, and two nursing buildings (Building 12-18 in Fig 4). The total construction area is about 186,000 square meters, which can provide about 1500 beds. The building area of the Vitality Center is approximately 12000 square meters, which complements the Vitality Centers of Buildings 1 and 2, enhancing the scale and adding more functions. After the opening of the third phase of Yan yuan, it has become the largest public area supporting elderly care community among the parks that have already opened nationwide.



Figure 4. Taikang Community - Overlooking View of Yan yuan (Picture Credit: Taikang Elderly Care Community)

4.2. The Service Concept of "Five in One" and the New Way of Life

The "Five in One" refers to "a warm home," "an open university," "an elegant vitality center," "a high-quality healthcare center," and "a home for the soul and spirit of the elderly."

4.2.1. Warm home

Yan yuan is in the core area of Changping District New City, about 40 kilometers away from the center of Beijing. It is situated in Beijing but has a unique quiet and comfortable atmosphere, with an excellent geographical location. Yan yuan Phase III has a variety of unit types to choose from (Fig. 5), and these unit types focus on comfortable elderly care and green environmental design concepts, meeting the LEED Gold Award standards issued by the US Green Building Council, and winning the US NAHB 50+ and Best Design CCRC Silver Award. The service team and butler of Yan yuan 1+N provide meticulous care for the elderly: offering free household cleaning (twice a week), customized services such as organizing seasonal clothes, and going out for consultations. The life butler will also provide club facilities and commercial services within the public area to meet the personalized living needs of the elderly.

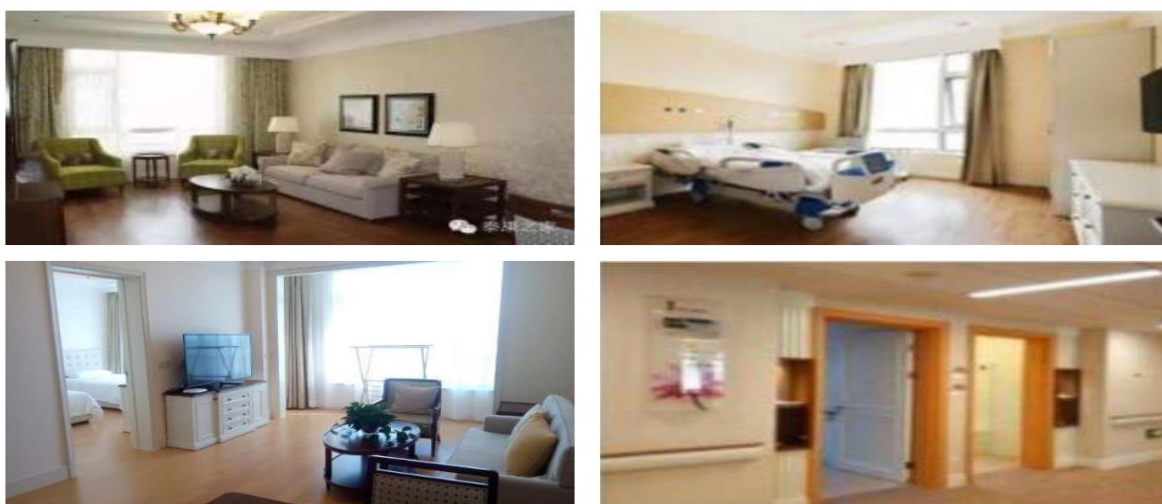


Figure 5. House type of Yan yuan

4.2.2. Open university

The Le Tai College adheres to the concept of lifelong learning, with the aim of "nourishing the mind, cultivating oneself, and seeing the world". Based on the common needs of the elderly, it organizes teaching to help them explore new knowledge, broaden their horizons, and promote the improvement of their physical, psychological, and social skills (see Table 1).

Table 1. Courses of Le Tai College

Special lectures	Yan yuan Technology Lecture Hall
	Photography Classroom
	Yang sheng tang
	Nutrition lecture
	Yan yuan Lecture Hall
Music, Film and Television Appreciation Category	Appreciation of Chinese Records
	Documentary
	Movie appreciation
	Weekly concert
	Premium TV dramas
Sports and health preservation	Sports and Fitness Open Class
	Le Zhi Game Open Class
	Music therapy class
	Eight section brocade
	Meridian Exercise
	Hand reflexes
	Group Health Training Course
	Le Tai Dance Class - Chinese Dance
	Le Tai Dance Class - Ethnic Dance
	Le Tai Dance Class - Ballet Form
	Le Tai Dance Class - Classical Dance
Cultural and artistic categories	Silk screen flower
	Fabric stacking embroidery
	Intangible Cultural Heritage and National Essence Handicraft Course
	Bridge themed course
	Vocalization and singing
	Tao Di Ban
	Gu Qin class
	Sudoku class
	Go class
	Chinese Painting Course
Else	Piano class
	Smartphone Application Course

4.2.3. Elegant vitality center

The Vitality Center in Yan yuan Community is equipped with a heated swimming pool, fitness center, library, handicraft room, calligraphy and painting room, billiards hall, chess and card hall, golf room, home cinema, multifunctional hall, and other sports, fitness, cultural and entertainment venues covering an area of about 10000 square meters (Fig. 6), with complete and complete supporting facilities.



Figure 6. Fitness and entertainment facilities

4.2.4. High quality healthcare centers

According to the "New Lifestyle Guidelines for Enjoying the Elderly" jointly released by Taikang Life Insurance and research institution Age Club, about 33% of elderly respondents stated that they have a high demand for health protection when choosing a retirement life [7]. Yan yuan relies on the medical and elderly care integration model of "one community + one hospital", deeply integrating medical care and elderly care. This model can actively leverage the advantage of having more NPC representatives in the site medical industry, fully utilize high-quality medical resources in the surrounding area, and continuously promote the health work of regional residents [8]. The Beijing Taikang Yan yuan Rehabilitation Hospital, which is built within the Yan yuan community, has introduced internationally leading rehabilitation concepts and technologies to create the Taikang International Standard Rehabilitation System (TKR) and Long-Term Care System (LTC). Taikang Yan yuan Rehabilitation Hospital is in Building 3 of Yan yuan, with a total investment of 290 million yuan and a building area of approximately 13000 square meters. It has 130 standard medical beds and is a specialized secondary rehabilitation hospital with rehabilitation and geriatric diseases as its characteristics. The hospital has comprehensive outpatient clinics, rehabilitation centers, Asia Pacific hydrotherapy centers, health service centers, remote consultation centers, emergency treatment referral reception centers, outpatient blood dialysis centers and other departments.

Taikang Community establishes personal health records for every resident who stays in, and relies on the Taikang Smart Elderly Care Service Cloud Platform system for management, making it convenient for doctors, nurses, and butlers to comprehensively grasp the health status of residents, and helping service teams understand the health distribution of the population. The Taikang Health and Elderly Care Service Cloud Platform System can also interface with a series of intelligent health hardware, and through big data analysis, recommend and customize comprehensive management solutions suitable for residents [9].

Yan yuan Rehabilitation Hospital ensures the safety and health of community residents. The hospital focuses on rehabilitation medicine and geriatric medicine as key disciplines, and creates a triple line of defense for emergency rescue, chronic disease management, and elderly rehabilitation for the elderly. Yan yuan Rehabilitation Hospital provides convenient medical conditions for the elderly. The hospital is in the community and is a designated unit for medical insurance. It has departments such as geriatrics and rehabilitation, which perfectly match the daily medical needs of the elderly. Taikang International Standard Rehabilitation System (TKR) customizes exclusive rehabilitation plans for the elderly, helping them recover their health better and faster. At the same time, Yan yuan Rehabilitation Hospital also provides powerful medical resources from various departments to safeguard the health of the elderly.

The 800 square meter rehabilitation treatment hall is among the best in Beijing Rehabilitation Hospital. The rehabilitation treatment area is equipped with leading rehabilitation equipment at home and abroad, and can provide various rehabilitation diagnosis and treatment services including rehabilitation function assessment, exercise therapy, language therapy, cognitive therapy, physical

therapy, etc. (Fig 7). For patients with stroke, diabetes, senile dementia, joint replacement surgery and other diseases of the elderly population, professional treatment should be taken at the best time for preoperative rehabilitation, postoperative rehabilitation, and injury prevention to speed up the recovery of patients. Encourage patients to engage in high-intensity and proactive rehabilitation rather than passive participation. To improve rehabilitation efficiency and achieve the maximum rehabilitation treatment effect in the shortest possible time.



Figure 7. Rehabilitation diagnosis and treatment services

In March 2018, the outpatient hemodialysis center of Yan yuan Rehabilitation Hospital was qualified, which can provide professional and convenient medical services for elderly people who rely on hemodialysis for a long time.

4.3. Management Achievements of Elderly Chronic Diseases in Taikang Elderly Care Community

Research has shown that the primary step in carrying out chronic disease management planning in elderly care communities is to understand the health status of the elderly. Screening of high-risk groups for chronic diseases in the elderly can be carried out to plan chronic disease management plans for the elderly in the community [10].

From July 2020 to October 2022, diabetes management in Yan yuan has achieved initial results. The management of Yan yuan conducted a follow-up survey on the elderly in the community for approximately 18 months. The prevalence rate of diabetes in the community is 40.9%, the number of patients is 619, and the average age of patients is 82.7 years old. Through the efforts of the professional nursing team of the rehabilitation hospital, the average glycosylated hemoglobin of diabetes patients in the community reached 6.9% (the standard for diabetes patients over 65 years old was 7.0% -7.5%), and the glycosylated standard rate was 79.8%, which was 28.1% higher than the value before health management. On the social level, the glycation compliance rate of elderly people is only 49%. The difference in data indicates that the chronic disease management in Taikang Elderly Care Community is effective.

5. Conclusion

Taikang Insurance Group Co., Ltd. responds to the call of the times and builds multiple elderly care communities such as “Taikang Community·Yan yuan”. The business model of combining medical care and elderly care in the community has effectively solved the problem of nursing homes only providing care but not medical assistance, providing better protection for the life, health, and safety of the elderly. While ensuring the life and health of the elderly, meeting their personalized

living needs. The vitality center of Yan yuan provides a variety of life choices for the elderly. Under the combined effect of comfortable elderly care and professional medical care in Yan yuan, the overall situation of diabetes patients in the community has improved. The current problem is that most elderly people do not understand or are unwilling to choose elderly care communities. In the future, in the context of the era of longevity, various elderly care communities should continue to pay attention to the living needs of the elderly. Reduce the prices of elderly care communities to meet the needs of more elderly people, and increase the publicity efforts of elderly care communities to further alleviate the current situation of difficult elderly care in Chinese society.

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