

Review of the studies regarding the evolution of China's long-term care insurance framework

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Abstract. Community care and long-term care concerns have attracted substantial attention from both the government and society as China's aging process accelerates. an important tool for managing elder impairments, reducing family stress, and advancing social justice in China is long-term care insurance. The modern academic community has had a major impact, on the creation of a system of multi-tiered care services the structure of long-term care insurance, and the invention and adaption of global techniques. However, the research is not without its shortcomings, such as the absence of a systematic theoretical framework, insufficient implementation studies in rural regions, a poor appraisal of the long-term impacts of policies, and a lack of interdisciplinary collaboration. Future research should concentrate on important areas, such as a thorough examination of the execution effectiveness of long-term care insurance policies and an evaluation of the adaptability of current rural elderly care service models, in order to promote the long-term advancement and improvement of the long-term care insurance system.

Keywords: Long-term care insurance (LTCI), population aging, care for senior citizens with impairments, nursing fund, commercial nursing insurance.

1. Introduction

The rapid increase in China's aging population has caused the requirement for long-term care to significantly increase. In 2020, almost 190 million individuals, constituting 13.5% of the entire population, were 65 years of age and older, according to the National Bureau of Statistics. This figure is anticipated to attain 25% by 2030 [1]. The demographic transition has resulted in a rise in older adults with disabilities or partial impairments, imposing considerable caring demands on families and society. Conventional family-oriented eldercare frameworks are progressively challenged by urbanization, increased mobility, and diminishing family numbers, which impair the ability to offer familial care. Simultaneously, public geriatric services are inadequate to meet the growing needs for care, highlighting the necessity for appropriate legislative initiatives.

In response to these issues, China has been diligently working to establish a long-term care insurance (LTC) system, utilizing effective models from nations like Japan and Germany. Germany's strategy highlights the significance of social insurance that includes the entire populace and distributes caregiving duties between the state and society. Japan's framework comprises a multi-tiered eldercare system interconnected with community services and administered by local authorities [2]. These worldwide models provide essential frameworks that guide the design and implementation of China's LTC system.

In 2016, the pilot initiative for China's long-term care insurance system was initiated. As a result of ongoing institutional innovation and policy research, it has gradually developed local characteristics. The method has successfully reduced the tension associated with family caregiving, improved the standard of living for the elderly, and facilitated the establishment of a social care service framework.

Nonetheless, scholarly investigation of long-term care insurance remains in the preliminary phase. The current literature emphasizes institutional framework design, financing mechanisms, and international experience; however, it inadequately addresses the long-term policy implementation

effects and applicability in rural areas, and there is a notable deficiency in interdisciplinary collaborative research. A systematic literature evaluation is crucial for elucidating the development context of long-term care insurance, assessing its implementation efficacy, and offering theoretical basis for future policy enhancement. This study intends to carefully analyze the historical development, implementation outcomes, and challenges of long-term care insurance, synthesize the findings and shortcomings of existing literature, and offer guidance for future policy formation and academic inquiry.

2. Current status of the development of long-term care insurance

In 2006, the State Council emphasized the necessity of creating social service frameworks, including volunteer initiatives for aged care, care savings, and long-term care insurance, in the "11th Five-Year Plan for Population Development and the 2020 Plan." In 2016, the Ministry of Human Resources and Social Security issued the "Guiding Opinions on Implementing Pilot Programs for Long-term Care Insurance Systems," officially initiating the pilot phase by designating 15 cities for participation.

In 2020, the pilot program expanded under the "Guiding Opinions on Expanding the Pilot Program of Long-term Care Insurance Systems," jointly released by the National Health Insurance Administration and the Ministry of Finance, incorporating 14 additional trial towns. This phase signified a transition from restricted trials to broader pilot implementation.

In 2022, the report from the 20th National Congress of the Communist Party of China mentioned "creating a system of long-term care insurance" for the first time. In 2024, the "Decision of the Central Committee of the Communist Party of China on Further Deepening Reforms and Promoting Chinese-style Modernization," ratified during the Third Plenary Session of the 20th Central Committee, reaffirmed the dedication to expedite the system's advancement.

As of 2023, membership in long-term care insurance in 49 pilot cities totaled 183.31 million individuals, with 1.34 million beneficiaries. In that year, the long-term care insurance fund brought in a total of 24.36 billion yuan, whilst expenditures reached 11.86 billion yuan. Shanghai, as an initial participant in the experiment, attained significant success. Since its inception, more than 735,000 elderly adults with disabilities have obtained nursing care, constituting approximately one-third of the entire nationally supported population. Presently, over 400,000 elderly individuals with disabilities receive assistance from the program monthly, which is essential in tackling aging issues and delivering vital support services.

2.1. The necessity of establishing long-term care insurance

2.1.1. Influence on economic stability

Long-term care insurance offers vital financial assistance for elderly individuals, particularly those incapables of self-care due to aging, disease, or disability. This insurance encompasses the expenses associated with nursing and rehabilitation services, including charges for medical equipment and rehabilitation aids, thus reducing the financial strain on senior citizens and their families. Guo Jinlong observed that long-term care insurance alleviates the financial strain on disabled individuals by encompassing participants of urban and rural medical insurance, as demonstrated by research of 28 pilot projects nationwide. In a 2023 study, Li Changyuan examined the funding patterns of 15 pilot cities, contending that flexible finance solutions can substantially alleviate economic burdens on families and people [3]. Zheng Xianping emphasized in his policy review that the selection of appropriate funding mechanisms and payment models is essential for preserving the financial stability of long-term care insurance and supplying elderly beneficiaries with continuing assistance [4].

2.1.2. Influence on Society

Long-term care insurance serves as a vital social security mechanism, alleviating the caregiving burden on families by providing financial assistance and expert care services [5]. This assistance

enables family members to more effectively combine professional responsibilities and caregiving obligations, while extensive nursing services tackle age-related issues and foster the expansion of the eldercare industry. Research conducted by Cai Weixian indicates that the application of long-term care insurance diminishes intergenerational financial transfers among families, reduces reliance on conventional caring models, and expands social care alternatives [6]. Zhu Minglai asserts that the financial framework of long-term care insurance greatly reduces the stress associated with giving care, particularly for households with profoundly crippled elderly individuals [7]. Zheng Wei emphasized that efficient assessment and compensation strategies can harmonize familial and professional care, alleviating responsibilities while preserving service quality [8]. Tang Jincheng underscored that putting long-term care insurance into effect in rural regions is essential for tackling senior care issues and guaranteeing equitable allocation of medical resources, thereby enhancing rural eldercare services [9]. Li Changyuan asserted that the implementation of this insurance might establish a cohesive national nursing service system, hence reducing discrepancies in service quality across various locations.

Furthermore, long-term care insurance has enhanced social equality and cohesion by diminishing differences across socioeconomic groups and promoting social fairness. Ba Shusong's empirical research on 49 pilot cities revealed significant regional disparities in the efficacy of funding policies, underscoring the necessity for refined finance techniques to promote equity [10]. Zheng Xianping contended that meticulously crafted policies are crucial for guaranteeing equal nursing services across diverse regions, identifying long-term care insurance as a significant mechanism for fostering social cohesion.

2.1.3. Effects on the elder population

Long-term care insurance guarantees that elderly folks have extensive and high-quality nursing services, encompassing physical rehabilitation, psychological support, and assistance with everyday activities, thereby enhancing their quality of life [11]. Li Sicheng observed that in multiple pilot cities, that putting long-term care insurance into effect has markedly enhanced the health and life happiness of elderly recipients [12]. Liu Xiaomei emphasized that improved resource integration and system innovations can broaden the accessibility of long-term care insurance, adequately addressing the elderly's nursing needs [13]. Zheng Wei discovered in his assessment of Qingdao, Chengdu, and Beijing's Shijing Shan District that enhanced nursing services significantly elevate the living situations of elderly individuals, advocating for the nationwide implementation of this model.

3. Development Conundrum

3.1. Scope of Policy Utilization

Currently, my nation's long-term care insurance (LCI) primarily serves individuals aged 60 and older who have enrolled in the basic health insurance for workers in cities or people who live in cities and is restricted to those with disabilities classified as grades 2 to 6. Nevertheless, individuals with disabilities under 60 years of age, as well as adolescents and children with chronic illnesses, have not yet been incorporated into the program, despite their long-term care needs. This restriction inhibits certain individuals in need of care from receiving policy support, necessitating an immediate expansion of the eligible population. Certain research indicates that the existing coverage of long-term care insurance predominantly encompasses urban employees and both urban and rural people, while some regions have yet to incorporate rural citizens into the coverage, resulting in certain rural populations in need of care lacking protection. The methodologies employed in Chengdu and Guangzhou demonstrate the viability of progressively integrating urban and rural inhabitants into the scope of long-term care insurance, serving as a citation for other areas [14].

Currently, long-term care insurance mostly serves individuals aged 60 and older, whereas disabled individuals under 60, as well as adolescents and children with chronic illnesses, remain excluded; thus, the eligible demographic requires expansion. Li Changyuan emphasized that broadening the

applicability of long-term care insurance regulations is a crucial focus for the future, particularly in the evaluation of care requirements across various age demographics, which should be refined and enhanced to guarantee that all individuals with care needs can receive benefits.

3.2. Evaluation Criteria

Significant disparities exist in the evaluation criteria for long-term care insurance within my country, and the assessment instruments employed vary across different regions. For instance, many cities employ the Barthel scale, which assesses activities of daily living (ADL), but other districts utilize locally established criteria. Furthermore, eight cities employ the "Long-term Care Disability Level Assessment Standard (Trial)" as an evaluative instrument. This disparity has resulted in inconsistent nursing service standards and quality, adversely impacting the correlation between nursing services and assessment outcomes across different regions. The literature advocates for the progressive implementation of a standardized disability-level assessment system, with local modifications tailored to national situations, to enhance the scientific rigor of the assessment and the efficacy of nursing services. Zheng Wei proposed that the implementation of standardized evaluation instruments might diminish regional disparities and enhance the equity of nursing services.

The utilization of varied assessment instruments across areas has resulted in varying nurse service standards and compromised the equity of service quality. Zheng Wei advocated for the establishment of a multi-tiered assessment framework to standardize evaluation criteria and enhance the applicability and equity of the long-term care insurance system across various locations. Liu Xiaomei underscored that the uniformity of nursing needs assessment is crucial for maintaining the consistency of nursing service quality. A nationwide unified evaluation standard should be established and suitably modified according to local conditions in the future.

3.3. Fundraising avenues

The Ministry of Human Resources and Social Security indicates that the funding for long-term care insurance primarily involves maximizing the unified account structure of medical insurance for employees and reallocating surplus health insurance money. The reliance on one financing route raises concerns over the fund's viability. The literature advocates for the development of a multi-channel financing mechanism to diminish reliance on medical insurance funds and to bolster financing sustainability through various sources, including personal contributions, unit contributions, financial subsidies, and social donations. Tianjin mandates that, when deemed necessary, a specified percentage of cash may be distributed from the prior year's public welfare fund lottery to augment the long-term care insurance fund. This measure also offers guidance for the diversification of funding sources.

The current financing methods predominantly depend on employee medical insurance funds, raising questions regarding sustainability. It is essential to investigate multi-channel finance strategies, including fundraising through tax incentives and philanthropic contributions. Liu Xiaomei noted that the finance routes across different pilot regions are presently relatively distinct. In the future, it is essential to consolidate resources and enhance various financing options to ensure the coverage of long-term care insurance. Ba Shusong identified financing shortages as the primary impediment to the advancement of long-term care insurance, advocating for innovations in the integration of social capital and government subsidies to establish a more reliable funding source.

3.4. Remuneration System

Currently, there exists a significant disparity between the compensation levels of long-term care insurance and market demand, with the model of payment being largely inflexible. Most regions implement the "nursing services first, reimbursement subsequently" paradigm. Nonetheless, certain covered individuals may require direct monetary reimbursement instead of nursing care, and the current single-payment model inadequately accommodates the diverse demands of various demographics. Guo Jinlong proposed emulating the methods of countries like Germany by integrating

monetary remuneration with services to more effectively address varied care requirements. Future policy formulation should incorporate a model that integrates financial compensation with services to enhance policy universality and service quality, therefore effectively alleviating the burden on beneficiaries and their families.

The existing payment approach involves reimbursement post-services; yet, certain insured individuals require monetary compensation more urgently. Future exploration of a payment paradigm that integrates services and cash is warranted. Cai Weixian indicated that flexible payment systems can address the diverse demands of many beneficiaries, particularly in rural regions, where cash payments align more well with local consumption practices. Zheng Xianping underscored the necessity of exploring a combination of diverse payment methods to enhance the applicability and benefit coverage of nursing insurance in the future.

3.5. Disparity in growth between rural and urban regions

Significant disparities exist in the execution of long-term care insurance between urban and rural regions, primarily concerning funding capabilities, service delivery, and infrastructure development. Tang Jincheng noted that the low economic status in rural regions presents significant problems for both fundraising and the provision of nursing services. Cai Weixian noted that the training of nursing personnel and the development of nursing service systems in rural areas remain nascent, necessitating urgent national policy support to guarantee that rural elderly individuals receive nursing services equivalent to those available to urban residents.

4. Enhancement strategies

4.1. Extent of applicability

Long-term care insurance's coverage recipients will be broadened to encompass all individuals with long-term care requirements, including disabled persons under 60 and those afflicted with chronic illnesses. Dai Weidong asserted that all individuals with disabilities are prospective, long-term care insurance policyholders and those who satisfy the criteria can access benefits through appropriate evaluations. By implementing more adaptable coverage for beneficiaries, a greater number of elderly and disabled individuals in need can get care, thereby alleviating the economic strain on families [15].

4.2. Financial Framework

Investigate various finance avenues to enhance the reliability and sustainability of funding sources. Incorporate social capital and commercial insurance as adjuncts, and establish tax incentives to promote contributions from both individuals and corporations. The government should augment its financial involvement in long-term care insurance to ensure the sustainability of funding. Ba Shusong asserted that diverse finance is a crucial mechanism for ensuring the steady functioning of insurance for long-term care.

4.3. Evaluation Criteria

Establish a standardized nursing requirements level and evaluation criterion, permitting areas to make suitable modifications according to their economic development status. Implement a national training framework for assessors to guarantee standardized qualifications and competencies, hence enhancing the precision and equity of nursing needs assessments. Zheng Wei proposed that the implementation of standardized evaluation instruments might diminish regional disparities and enhance the equity of nursing services.

4.4. Remuneration System

Investigate payment systems that integrate cash remuneration with services to address the specific requirements of various populations. Implement various payment mechanisms, such as direct service payments, cash subsidies, and vouchers, to enable recipients to select the most appropriate payment option according to their individual and familial situations. Cai Weixian asserted that varied payment models can proficiently accommodate the specific requirements of diverse locations and demographics.

4.5. Instruments for rural area support

Enhance policy assistance for rural regions, including financial subsidies, infrastructure development, and training for nursing personnel, to diminish the service disparity between urban and rural locales. Enhance the development of nursing service systems in rural regions and elevate the accessibility and quality of long-term care insurance by augmenting the number of nursing beds and the service capabilities of primary healthcare facilities. Tang Jincheng emphasized that the establishment of nursing systems in rural regions is crucial for the future successful development of long-term care insurance.

4.6. Augment the availability of nursing personnel

To improve nursing services' caliber and availability, it is essential to augment the supply of nursing personnel through vocational training, financial incentives, and initiatives aimed at enhancing the profession's appeal. The government ought to create a career advancement pathway for nursing personnel, enhance the societal perception of the nursing profession, and offer financial incentives to entice more youth into the nursing field. Zhu Minglai proposed that the government enhance nursing staff training by collaborating with vocational and medical colleges to address the shortage of nursing professionals.

4.7. Enhance policy lobbying and public awareness

Public awareness and involvement in long-term care insurance should be enhanced through multi-channel promotion and education. The government and pertinent institutions should utilize television, the Internet, and community initiatives to disseminate information regarding long-term care insurance plans and benefits, thereby enhancing public engagement in insurance participation. Li Sicheng emphasized that enhancing public awareness is essential to the successful marketing of long-term health insurance.

4.8. Enhance the information management system

Develop a cohesive long-term care insurance information management system to facilitate interdepartmental data sharing and dynamic oversight, thereby enhancing the efficiency and transparency of policy execution. Dai Weidong asserted that long-term care insurance's accessibility and quality must be enhanced by the application of information technology and intelligent technologies within the framework of technological innovation mechanisms. Enhance the oversight of nursing needs assessment, fund management, service provision, and related processes by information technology to ensure the judicious utilization of long-term care insurance funds and the effective delivery of nursing services [16].

5. Summary

The long-term care insurance system is being consistently enhanced and advocated as a crucial strategy to address the issue of aging. The comprehensive implementation of the system will significantly enhance the quality of life for the elderly, alleviate the financial strain on families, and foster the growth of the aged care service sector. Policymakers and researchers must focus on the invention and enhancement of fundraising, assessment criteria, and service delivery methods to

address the diverse demands of various locations and people. Future research should concentrate on enhancing current policies, augmenting their fairness and sustainability, and investigating varied elderly care service models and technological solutions, including intelligent care, home care, and community care, to address the evolving requirements of an aging population. Utilizing technologies like big data and artificial intelligence enables precise alignment of service requirements while enhancing service quality and efficiency. This will not only mitigate the social strain induced by the aging population but also facilitate the comprehensive optimization, transformation, and enhancement of the elderly care service system, ultimately leading to a substantial improvement in the standard of living for senior citizens and fostering harmonious and stable societal development.

Authors Contribution

The names of the authors were presented alphabetically, and each author made an equal contribution.

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