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From the Perspective of Internal Control, Research on the Government Responsibility for the Construction of Long Term Care Insurance System in China

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Abstract: Under the pressure of aging, aging of the aged, disability, empty nesting and so on, the demand for long-term care services for the elderly in China has risen sharply. To explore and establish a social long-term care insurance system is conducive to meeting the needs of the elderly for long-term care services. This paper demonstrates the necessity of government responsibility in the social long-term care insurance system, discusses the advantages and disadvantages of different government responsibility modes and the choice of government responsibility modes, and analyzes in depth the implementation of government responsibility. Specific contents.

Keywords: Social Long-term Care Insurance System; Government Accountability; Disability.

1. Introduction

On June 27, 2016, the "Guidance on the Pilot Program for Long-Term Care Insurance System" (Document No. [2016] 80) issued by the Ministry of Human Resources and Social Security required the exploration of establishing a long-term care insurance system. In recent years, the aging population issue in China has become increasingly severe. Faced with multiple pressures such as aging, high age, disability, and empty-nesting, the demand for long-term care services among the elderly has risen sharply. As family caregiving capabilities in China decline, the elderly's self-sufficiency becomes insufficient, and there is a potential breakdown in the long-term care insurance market. Thus, the government has become the inevitable responsible entity to lead the development of the long-term care insurance system. Effective implementation of government responsibilities is a necessary condition for establishing a social long-term care insurance system. This is beneficial for safeguarding the basic living rights of disabled individuals, improving their quality of life, and promoting traditional Chinese cultural virtues. The exploration of establishing a long-term care insurance system requires further research on the necessity of government responsibilities, the pros and cons of different government responsibility models, the choice of government responsibility models, and the specific content of government responsibility implementation.

2. The Necessity of Government Responsibility in the Construction of the Social Long-Term Care Insurance System

Firstly, Characteristics of the "Four Modernizations" of China's Aging Population. As China enters the aging population stage, it is accompanied by characteristics such as high age, empty-nesting, and disability (see Table 1). These "four modernizations" characteristics make the elderly in China more urgently in need of long-term care services [1]:

(1) China has a large elderly population with a fast growth rate, and the demand for long-term care services shows a rigidly increasing trend.

(2) Rapid economic development and rising living standards in China inevitably lead to aging, and the elderly, especially the oldest old, have a significant demand for long-term care services due to their frail physical condition.

Table 1. Characteristics of China's Aging Population's "Four Modernizations"

Four Modernizations”	related data
Aging population	According to the data of the seventh census, the population aged 60 and over is 264.019 million, accounting for 18.70%, of which the population aged 65 and over is 190.635 million, accounting for 13.50%.
aging	It is estimated that by 2020, the number of elderly people in my country will increase to about 29 million.
empty nest	It is estimated that by 2020, the number of elderly people living alone and empty nesters will increase to about 118 million.
disabled	In 2015, there were approximately 40.63 million disabled and semi-disabled elderly people nationwide, accounting for 18.3% of the elderly population.

Source: 2017 State Council's "Thirteenth Five-Year Plan for National Aging Development and Pension System Construction Plan"; 2015 National Aging Office, Ministry of Civil Affairs, and Ministry of Finance "Fourth National Sample Survey on Living Conditions of the Elderly in Urban and Rural Areas".

(3) With the increasing mobility of the population in China, empty-nesting has become a common phenomenon. Elderly

individuals living alone have a potential substantial demand for long-term care services.

(4) The continuous decline in the physical functions of the elderly population and the prevalence of various diseases have made disability a necessity, resulting in an inherent demand for long-term care services among the elderly.

Secondly, The gradual weakening of the family care function. Since ancient times, the family has made great contributions to the care of the elderly. However, with the continuous development of my country's social economy, the family's pension function has gradually weakened [2]. One is that my country has implemented the family planning policy for a long time, and the "decreasing birth rate" has brought about a reduction in family size, which has led to the dilemma of insufficient human resources for families to care for the elderly; second, with the development of economic marketization and urbanization, population mobility has become increasingly frequent , the "empty nest" of families has become a common phenomenon in society, and the separation of the working population and the elderly population has led to serious challenges to the tradition of "raising children for old age"; Ascension, limited by time, energy and financial capacity, young people seem powerless to care for the elderly. With the continuous weakening of the family's pension function, "nowhere for the old" will become a difficult problem faced by the elderly.

Thirdly， Insufficient self-protection ability of the elderly. The most important source of income for the elderly in our country is pension insurance, and the amount of pension insurance received is an important indicator of the self-protection ability of the elderly. The monthly per capita pension insurance for urban employees in my country is about 3,577 yuan, the monthly per capita income of urban and rural residents is about 191 yuan, while the monthly per capita consumption of urban residents is about 2,533 yuan, and the monthly per capita consumption expenditure of rural residents is about 1,386 yuan (see Table 2 and Table 3). This means that only the basic pension insurance income of urban employees can meet the basic daily consumption, while the income of urban and rural residents' pension insurance is far from meeting the daily consumption of urban and rural residents. This also means that urban and rural residents, who account for 58.6% of the total number of basic pension recipients, can hardly even guarantee their daily consumption, let alone meet the demand for long-term care services by living in elderly care institutions. Looking at the situation across the country, the average monthly fee for self-care elderly living in nursing homes is about 1,636 yuan, and for disabled elderly is about 2,604 yuan [3]. The lack of support from the third-party payment mechanism of social long-term care insurance will inhibit the effective demand of the vast majority of the elderly in my country for long-term care services, which is not conducive to the maintenance of the basic rights of the elderly.

Table 2. The monthly per capita expenditure of my country's basic pension insurance funds in 2022 unit: ¥

Basic endowment insurance	Total number of pensioners	Total annual fund expenditure	Monthly per capita expenditure
Urban employee pension insurance	131.57 million people	5.6481 trillion	3577
Urban and Rural Resident Pension Insurance	162.13 million people	371.5 billion	191

Note:① Data comes from the "2022 Statistical Bulletin on the Development of Human Resources and Social Security" issued by the Ministry of Human Resources and Social Security

②Monthly per capita expenditure = total annual fund expenditure ÷ total number of pensioners ÷ 12

Table 3. National monthly per capita consumption expenditure of residents in 2022 unit: ¥

By permanent residence	Annual per capita consumption expenditure	Monthly per capita consumption expenditure
Citizens	30391	2533
rural resident	16632	1386

Data source: from the National Bureau of Statistics "Resident Income and Consumption Expenditure in 2022"

Fourthly, Market failure in long-term care insurance. as the aging situation becomes more and more severe, the demand for long-term care services for the elderly in my country continues to grow. In the case of insufficient family and personal protection capabilities, can the market force be relied on to meet the demand for long-term care services for the elderly? The answer is not optimistic. The market mechanism that uses commercial long-term care insurance to meet the demand for long-term care services of the elderly may fail [4]. First, there are risky choices in commercial long-term care insurance. In order to maximize profits, long-term care insurance providers tend to include people with lower risk probability and exclude people with more frequent diseases, disabled people and other people who need long-term care services when providing long-term care insurance, making it difficult for long-term care insurance to cover people who really need long-term care services. Second, there is adverse selection in commercial long-term care insurance. In the long-term care insurance market, due to information asymmetry, it is difficult for the insurer to judge whether the policyholder belongs to the low-risk group or the high-risk group. When collecting premiums, the insurer usually calculates the premium rate based on the probability of occurrence of long-term care needs in an area and the average expected loss, which must be higher than the insurance premiums that low-risk groups are willing to pay, and lower than the premiums that high-risk groups are willing to pay. As a result, long-term care insurance is always purchased by high-risk groups, and high-risk groups crowd out low-risk groups from the long-term care insurance market, making it difficult for insurance companies to continue operating. In order to make up for the losses caused by adverse selection, insurance companies tend to increase premiums, causing low-risk groups to "vote with their feet" to withdraw from the long-term care insurance market. Ultimately, it is difficult for the long-term care insurance market to develop healthily and sustainably.

To sum up, the elderly population in my country has an urgent need for long-term care services. However, the gradual weakening of family care functions, the lack of personal security capabilities, and the possibility of failure in the long-term care insurance market will inevitably require the government to take the lead. Nursing insurance system to meet the growing demand for long-term care services for the elderly.

3. Choice of Government Responsibility Model for the Construction of Social Long-Term Care Insurance System

Since Germany formulated and implemented relevant social insurance laws and regulations in the 1880s, after long-term exploration and practice in various countries in the world, a variety of government responsibility models related to social insurance systems have been formed, which is the choice of government responsibility models in my country's social long-term care insurance system. Provided valuable experience [5].

Firstly, Limited government model. The limited government model means that the government assumes limited financial responsibility during the establishment of the social long-term care insurance system, and is mainly responsible for policy formulation, policy implementation, and policy supervision and management. The financial responsibility of this model is mainly borne by employers and employees, and it is mainly suitable for workers with stable income. In the social insurance system, the "Bismarck model" is a typical representative. Its advantage is that it emphasizes the unity of rights and obligations of long-term care insurance participants, pursues fairness while emphasizing the principle of efficiency, and has a small financial burden on the country and strong sustainability. Its disadvantage is that the economic burden on employers and employees is relatively heavy, which is not conducive to the improvement of international competitiveness of enterprises.

Secondly, responsible government model. The responsible government model means that the government assumes direct financial responsibility during the establishment of the social long-term care insurance system, and undertakes the responsibilities of policy formulation, policy implementation, and policy supervision and management. The financial responsibility of this model is mainly shared by the government, employers and employees, and it is mainly suitable for countries with a high level of economic and social development and those who have no income. In the social insurance system, the "Beveridge model" is a typical representative. Its advantage is that the insured objects of long-term care insurance are relatively well protected, and the national satisfaction is high. Its shortcoming is that the government assumes a large share of responsibility in long-term care insurance. In the case of rigid growth in demand for long-term care services and "stagflation" in economic development, the sustainability of the system is seriously challenged.

Thirdly, Government-arranged mode. The government-arranged mode means that the government assumes full responsibility in the establishment of the social long-term care insurance system. The fiscal responsibility of this model emphasizes that the government is responsible, and individuals do not bear direct obligations. It is mainly suitable for a planned economic system with public ownership as the economic foundation and a high degree of concentration. In the social insurance system, the "Soviet model" is a typical representative. Its advantage is that citizens can enjoy relatively complete long-term care insurance without paying fees, and the fairness is relatively high. Its shortcoming is that the government takes care of everything, the burden of all aspects is heavy, and it is not conducive to mobilizing the enthusiasm of laborers, which ultimately makes the system difficult to develop sustainably.

Fourthly models of effective government. The effective government model means that the government should not only assume limited responsibilities during the establishment of the social long-term care insurance system, but also ensure the actual effect of the system implementation, improve the efficiency of work, especially pay attention to the improvement of the overall efficiency, and form a government responsibility model dominated by benefits [6]. This model emphasizes that the social long-term care insurance system should adapt to changes in the external environment, and that the government has strong management capabilities and efficiency. In the social insurance system, it is the goal pursued by the reforms of various countries. Its advantages are emphasizing practical effects, adopting contingency strategies, having certain flexibility, strong adaptability and sustainability.

Fifthly Choice of government responsibility model. The establishment of the social long-term care insurance system must adapt to our country's social and economic system and the actual national conditions. First of all, the socialist market economic system is a market economic system established by my country's reform and opening up. The establishment of the long-term care insurance system should take into account the principle of efficiency while pursuing fairness. It is necessary to ensure the sustainability of the system and avoid the government's overall responsibility in the process of establishing the system. It is not appropriate to adopt the government monopoly model. Secondly, my country is still in the primary stage of socialism, and its economic level is generally in the ranks of developing countries, so the government's responsibility should be limited. From the perspective of the law of the development of government responsibility in the social insurance system, the establishment of my country's social long-term care insurance system should take the effective government model as the goal no matter whether it chooses the limited liability model or the responsible government model.

4. Contents of Government Responsibilities in the Construction of Social Long-Term Care Insurance System

Firstly, System design. Responsibility for system design refers to the responsibility for designing the model framework of the social long-term care insurance system and regulating various social relationships in it. The implementation of government system design responsibility should be considered from the overall and long-term perspective to ensure the sustainability of the system. From an overall point of view, the first is to focus on the construction of the social security system. In terms of security functions, the social long-term care insurance system and the existing social insurance projects must be connected with each other and

avoid duplication of security, and the positioning of functions shall be clarified; the second is to focus on the construction of "healthy China". The establishment of the social long-term care insurance system integrates the connotation of "health" into the whole process of the system, not only to meet the needs of the people for long-term care services, but also to guide the people to develop healthy living habits and reduce the occurrence of long-term disability of the elderly [7]. From a long-term perspective, first, we should learn from the ideological guidance of welfare pluralism theory, and by reasonably defining the scope of responsibility of the government, market, society, family, individual and other responsible subjects, we should avoid the occurrence of certain responsible subjects being overburdened. Affect the sustainability of the social long-term care system; Second, the establishment of the social long-term care insurance system must conform to the trend of my country's medical and health system and social security system reform, improve the adaptability of the system to changes in the external environment, and avoid falling into the "Qianmu system trap", to reduce the follow-up cost of system reform and improvement.

Secondly, fiscal Responsibility. Fiscal responsibility refers to the responsibility of the government to provide financial support to social long-term care insurance through financial means. The implementation of the government's financial responsibility should be considered from the perspective of my country's economic strength and the imbalance of insured objects to ensure the feasibility of the social long-term care insurance system. From the perspective of the development of my country's economic strength, the government's financial investment in social long-term care insurance should increase appropriately with the increase of my country's fiscal revenue, and allow citizens to share the fruits of economic development within the scope of national finance [8]. From the perspective of actual national conditions, it can be considered from two aspects. First, our country is still in the primary stage of socialism, and our country's financial capacity is limited, which determines that the Chinese government assumes limited financial responsibilities in the process of establishing the social long-term care insurance system. It should abide by the principle of basic protection and avoid falling into the "welfare trap". Second, according to the imbalance of the insured objects in our country, the social long-term care insurance system can be divided into two parts [9]. On the one hand, there is the long-term care insurance system for urban employees participating in the insured objects with stable income. The insured objects and the organizations they belong to have certain economic strength, and the government does not bear direct financial responsibility, but mainly undertakes the implementation, management and maintenance of the system. The associated costs of monitoring and promoting the development of the system through corresponding tax incentives. On the other hand, the long-term care insurance system for urban and rural residents without stable income participates in the long-term care insurance system for urban and rural residents. The insured objects lack corresponding economic strength. Spontaneous support for the establishment of institutions through the profit opportunities of the institutions themselves.

Thirdly, Implementation Responsibility. Implementation responsibility refers to the responsibility of the government to promote the effective implementation of the social long-term care insurance system through various administrative means. The following aspects should be considered in fulfilling the government's implementation responsibility. The first is to abide by the principle of balance between responsibilities and rights. First, the boundaries of government responsibility must be clearly defined. On the one hand, government responsibilities should be moderated to avoid overstepping and absence of government responsibilities during the implementation of the system due to unclear responsibilities. On the other hand, it is necessary to clearly divide the responsibilities of the central government and local governments, avoiding the transfer of relevant responsibilities from the central government to local governments through administrative power, and avoiding excessive reliance on the support of the central government for local interests. Secondly, the principle of unity of power and financial power must be observed. The implementation of the social long-term care insurance system requires the dual drive of power and financial power to ensure that relevant government departments have the ability to promote the implementation of the system. Thirdly, to strengthen performance management, when government responsibilities are effectively implemented, relevant departments and personnel should be rewarded accordingly to ensure that relevant government departments and personnel are motivated to promote the implementation of the social long-term care insurance system. Second, the government must establish its own credibility. Social long-term care insurance is an institutional arrangement for the government to provide universal services to members of society. It is related to the vital interests of members of society. The government must establish trust in the people to ensure the stability and legality of the system implementation. The third is that the government should coordinate all aspects of the relationship. On the one hand, the government must coordinate the relationship between various departments within the government during the implementation of the system. Relevant departments must strengthen coordination and work together to promote the implementation of the social long-term care insurance system; on the other hand, the government must coordinate the implementation of the system. Relations with the civil society, the government and the market. The combination of the government and the people, and the combination of the government and the market are the development trends of social insurance. The implementation of the social long-term care insurance system should actively use the power of the capital market to encourage and support the participation of social organizations [10].

Fourthly, Regulatory Responsibilities. Regulatory responsibility refers to the responsibility of the government to ensure the healthy and continuous operation of the system by establishing a management agency for social long-term care insurance, improving the management system, and strengthening the supervision mechanism. The following aspects should be considered in the performance of government regulatory responsibilities: First, the efficiency of system operation. Ensure the efficient operation of the social long-term care insurance system through supervision, and always take the effective responsibility government model as the pursuit goal of the government to fulfill its responsibilities. Efficiency is marked by clear responsibilities, smooth government orders, optimal allocation of resources, and significant social benefits. The second is the legalization of government supervision. Through the formulation of

relevant laws, enhance the legality and authority of the social long-term care insurance system, and ensure that the system supervision has a legal basis. The third is the socialization of government supervision. The social long-term care insurance system embodies the interest requirements of different responsible subjects, and the transparency of system operation must be improved to form a multi-supervision situation. Fourth, the government should transform from direct supervision to moderate separation of governance and supervision. With the continuous improvement of my country's market economic system and the introduction of a full or partial accumulation system, the market-oriented tendency of the social long-term care insurance system is becoming more and more obvious. The function of governance has changed, and the supervision of system operation has increasingly become an independent function of the government.

5. Conclusion

The establishment of my country's social long-term care insurance system is an important measure related to people's livelihood and well-being, which is conducive to protecting the basic rights of the elderly, especially to enhance the sense of security, happiness and gain of the disabled elderly. To sum up, under the multiple pressures of "four modernizations", my country's elderly population has an urgent need for long-term care services. With the gradual weakening of family care functions, the lack of self-protection ability of the elderly, and the possibility of failure in the long-term care insurance market, the establishment of a social long-term care insurance system must be dominated by the government. my country is still in the primary stage of socialism, and the government will inevitably assume limited responsibilities in the process of establishing the social long-term care insurance system.

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