This course was produced based on the policy situation in 2020. It might differ from the current LTCI policy and scheme of Korea.
The base of population pyramid will become narrower
The top of population pyramid will become higher
Pyramid forms will no longer be maintained

- Decrease in fertility
  - The base of population pyramid will become narrower

- Increasing life expectancy
  - The top of population pyramid will become higher

PopulationPyramid.net
Background: Rapid aging of population

Who will take care of ME in old age?

Who will take care of US in old age?
Background: Rapid aging of population

- **Percentage of population aged 65 and over**
  - Aging Society: 7.2% (’00) → Aged Society: 14.3% (’18) → Super-aged Society 20.8% (Estimate for ’26)

- **Old people with long-term care need: 12.1 - 14.8% of total old people**
  *Measurement: Year to reach 14% and 20% of the elderly population (<65)*

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### Measurement: Year to reach 14% and 20% of the elderly population (<65)

<table>
<thead>
<tr>
<th>Country</th>
<th>Years to 14%</th>
<th>Years to 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>115</td>
<td>39</td>
</tr>
<tr>
<td>USA</td>
<td>73</td>
<td>21</td>
</tr>
<tr>
<td>Italy</td>
<td>61</td>
<td>18</td>
</tr>
<tr>
<td>Germany</td>
<td>40</td>
<td>37</td>
</tr>
<tr>
<td>Japan</td>
<td>24</td>
<td>12</td>
</tr>
<tr>
<td>Korea</td>
<td>18</td>
<td>8</td>
</tr>
</tbody>
</table>
Growing Demand for LTC services

- Rapidly aging population
- Lack of family members to provide care
  - Small-sized families
  - Increase in female labor participation

Growing Demand for LTC Services

Socializing Care!!
Korean LTC Insurance
Introduction of LTC insurance

- Korean Government introduced LTC insurance in July 2008
  - To improve quality of life for the elderly
  - To mitigate the burden of elderly care

- By providing housekeeping assistance services and cognitive & physical activities at home or facilities
Eligibility

■ Person
  - Elderly aged 65 and over
  - People under 65 with a geriatric diseases such as dementia, stroke etc.

■ Condition
  - A person who is unable to perform his or her activities of daily living (ADL) For over 6 months
Beneficiaries

Total Population

- Elderly aged 65+
- Person under 65 with geriatric diseases

Target Population

- Person experiencing difficulty in ADL for over 6 months
- Assessed as needing LTC by grading committee

Beneficiaries
Number of Beneficiaries (2018)

Total Population: 52.6 million

Target Population: 7.6 million (14% of total population)

Beneficiaries:
- 0.67 million: 640,306 elderly (8.8% of the elderly)
- + 30,504 under 65
Benefits

- Institutional Care
  - Staying at facilities
  - Specialized in long-term care services
Benefits

Home-based Care

- **Home-visit care**
  - Assistance in bathing, toileting, dressing, cooking, cleaning etc.

- **Daycare**
  - Staying at daycare facilities during the day

- **Home-visit bathing**
  - Professional bathing service by 2 personal care workers or using a bathing vehicle

- **Short-term respite care**
  - Staying at facilities for short periods of time (9 days per month)

- **Home-visit nursing**
  - Nursing care based on doctor’s prescription

- **Equipment service**
  - Auxiliary devices covered by LTC insurance
Bathing Vehicle
Equipment service (cap: $1,344 per year)

8 Categories for Rental
- Wheelchair
- Automatic bed
- Manual bed
- Pressure relief mattress
- Bath lift
- Ramp
- GPS tracker

11 Categories for Purchase
- Moving toilet
- Bath chair
- Walker
- Safety handle
- Non-slip mat
- Pressure relief mattress
- Portable toilet bowl
- Cane
- Pressure relief cushion
- Positioning pillow
- Underwear
Procedure for LTC Services

1. Application
2. Needs assessment
3. Grade certification
4. Contract with service providers

Applicants → NHIS (National Health Insurance Service) → Needs Assessment Committee → Applicants
Procedure for LTC Services

**Needs Assessment**

- NHIS staffs visit the applicant`s house and conduct assessments using questionnaire
- The questionnaire consists of 52 items to evaluate the applicant`s difficulties of ADLs
  - Not include factors like loneliness or self-assessed ability to cope with difficulties

**Needs Assessment Committee**

- The Committee is composed of 15 professionals at every municipality (total 227 as of 2018), with at least one doctor included per committee
- The Committee reviews the needs assessment questionnaire and the physician`s note and finally assign the grade of the applicant
- The Committee is held every 15 days
- Assessment procedures must be completed within 30 days of application
### Grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Condition</th>
<th>Assessment score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1</td>
<td>full assistance in daily activities required</td>
<td>95 and more</td>
</tr>
<tr>
<td>Grade 2</td>
<td>full assistance in daily activities required</td>
<td>75~94</td>
</tr>
<tr>
<td>Grade 3</td>
<td>full assistance in daily activities required</td>
<td>60~74</td>
</tr>
<tr>
<td>Grade 4</td>
<td>full assistance in daily activities required</td>
<td>51~59</td>
</tr>
<tr>
<td>Grade 5</td>
<td>with dementia</td>
<td>45~50</td>
</tr>
<tr>
<td>Grade for cognitive assistance</td>
<td>with dementia</td>
<td>less than 45</td>
</tr>
</tbody>
</table>

- **New grades were added in 2018 to include older people with dementia as LTC recipients**
  - Grade 5 (2015) and Grade for cognitive assistance (2018)

- **Term of validity**
  - Valid for 1 year for the first time
  - Valid for 2-4 years once recipient retains the same grade upon renewal
Copayment

- 15% for Home-based service
- 20% for Institutional service

Reduced copayment for low-income households

<table>
<thead>
<tr>
<th>Income level</th>
<th>Copayment Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>40% of median income</td>
<td>Zero</td>
</tr>
<tr>
<td>40-50% of median income</td>
<td>60%</td>
</tr>
<tr>
<td>50-100% of median income</td>
<td>40%</td>
</tr>
</tbody>
</table>
Contribution
KRW 3.9 trillion
($ 3.2 billion)

Tax
KRW 2.1 trillion
($ 1.8 billion)

0.68% of income
Average per household: KRW 11,273 per month (about USD 9)
Quality Evaluation

Assessment Cycle
Every 3 years for all the service providers

Quality Measures
31~48 Quality indicators

Provider`s Participation
Required

Quality Rating System
A(the best) to E (the worst)

Incentives
Financial incentives

Public Reporting
Open to the public and available at www.longtermcare.or.kr
Achievements
Achievements

- Enhanced recognition of LTC as an important social safety net to prepare for an aging society

  - Pension
  - Health Insurance
  - Employment Insurance
  - Industrial Accident Compensation Insurance
  - Long-term Care Insurance
  - 5th Social Insurance
Number of beneficiaries (total)

<table>
<thead>
<tr>
<th>Year</th>
<th>Beneficiaries (thousand)</th>
<th>Increase</th>
<th>Increase Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>214 (4.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>324 (5.7%)</td>
<td>110</td>
<td>5.7%</td>
</tr>
<tr>
<td>2014</td>
<td>425 (6.6%)</td>
<td>201</td>
<td>6.6%</td>
</tr>
<tr>
<td>2016</td>
<td>520 (7.5%)</td>
<td>295</td>
<td>7.5%</td>
</tr>
<tr>
<td>2018</td>
<td>671 (8.8%)</td>
<td>151</td>
<td>8.8%</td>
</tr>
</tbody>
</table>

(Unit: thousand)
- Elderly population
- Beneficiaries
Number of beneficiaries (by age and grade)

By Age

Under 65: 30,504
65-69: 36,934
70-74: 64,665
75-79: 135,323
80-84: 180,924
85+: 220,460

Over 75: 80.3%

By Grade

Grade 1: 45,111 (6.7%)
Grade 2: 84,751 (12.6%)
Grade 3: 211,098 (31.5%)
Grade 4: 264,681 (39.4%)
Grade 5 Cognitive Assistance: 53,898 (8.0%)
Grade 5: 11,271 (1.7%)
Recipients by services

<table>
<thead>
<tr>
<th>Institutional care</th>
<th>Home-based care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home-visit care</td>
</tr>
<tr>
<td>26.2%</td>
<td>48.2%</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Institutional care 26%

Home-based care 73.8%
## Expenditure by services

### Pie Chart

- **Home-based care** 54%
- **Institutional care** 46%

### Table: Expenditure by Services

<table>
<thead>
<tr>
<th>Institutional care</th>
<th>Home-visit care</th>
<th>Daycare</th>
<th>Home-visit bathing</th>
<th>Home-visit nursing</th>
<th>Short-term care</th>
<th>Equipment support</th>
</tr>
</thead>
<tbody>
<tr>
<td>46%</td>
<td>38%</td>
<td>11.6%</td>
<td>1.6%</td>
<td>0.3%</td>
<td>2%</td>
<td>21%</td>
</tr>
<tr>
<td></td>
<td>54%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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*National Health Insurance Service*
Service Providers

The number of LTC service providers

- Institutional care providers: 5,320
- Home-care service providers: 27,992
## Service Providers

### Providers by service types

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home-care visit</td>
<td>44%</td>
</tr>
<tr>
<td>Home-care bathing</td>
<td>35%</td>
</tr>
<tr>
<td>Home-care nursing</td>
<td>2%</td>
</tr>
<tr>
<td>Daycare</td>
<td>11.5%</td>
</tr>
<tr>
<td>Short-term respite care</td>
<td>0.6%</td>
</tr>
<tr>
<td>Equipment service</td>
<td>7%</td>
</tr>
</tbody>
</table>
## Number of LTC Workers

<table>
<thead>
<tr>
<th>Role</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>421,326</td>
</tr>
<tr>
<td>Social Worker</td>
<td>22,305</td>
</tr>
<tr>
<td>Nurse</td>
<td>2,999</td>
</tr>
<tr>
<td>Nurse Assistant</td>
<td>10,726</td>
</tr>
<tr>
<td>Physical therapist</td>
<td>2,122</td>
</tr>
<tr>
<td>Personal Care Worker</td>
<td>379,822</td>
</tr>
<tr>
<td>Others</td>
<td>3,352</td>
</tr>
</tbody>
</table>
Personal Care Workers

By Age

- 30’s: 6,880
- 40’s: 39,726
- 50’s: 168,457
- 60’s: 162,364
- 70’s: 28,938

By Gender

- Female: 95% (385,970)
- Male: 5% (20,395)
Challenges and Future Plans
Aging Trend

- Elderly population (thousand):
  - 1960: 2.9%
  - 1970: 3.8%
  - 1980: 7.2%
  - 1990: 14.9%
  - 2000: 33.9%
  - 2010: 39.8%

- LTCI beneficiaries (thousand):
  - 2018: 7,612
  - 2020: 8,170
  - 2030: 12,951
  - 2040: 17,104

- Age groups (%):
  - 65+:
    - '60: 2.9%
    - '70: 3.8%
    - '80: 7.2%
    - '90: 14.9%
    - '00: 33.9%
    - '10: 39.8%

- Decades:
  - 2018
  - 2020
  - 2030
  - 2040
Concerns about financial sustainability

- Statutory LTC contribution rate keeps increasing

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
<th>Monthly amount (KRW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>4.05</td>
<td>2,543</td>
</tr>
<tr>
<td>2009</td>
<td>4.78</td>
<td>3,094</td>
</tr>
<tr>
<td>2010</td>
<td>6.55</td>
<td>4,854</td>
</tr>
<tr>
<td>2011</td>
<td>5,132</td>
<td>5,476</td>
</tr>
<tr>
<td>2012</td>
<td>5,696</td>
<td>5,909</td>
</tr>
<tr>
<td>2013</td>
<td>6,120</td>
<td>6,375</td>
</tr>
<tr>
<td>2014</td>
<td>7,38</td>
<td>6,581</td>
</tr>
<tr>
<td>2015</td>
<td>8.51</td>
<td>7,600</td>
</tr>
<tr>
<td>2016</td>
<td>10.51</td>
<td>9,028</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td>11,273</td>
</tr>
</tbody>
</table>
Upgraded Needs Assessment

- Developing a new LTC assessment questionnaire
  - To reflect the state of mental and cognitive functions as well as physical function better
  - The amended questionnaire will be released in 2022
New Services: Care taxi

- Help an elderly in a wheelchair to go to hospital
Better mixed services

- Integrated home-based care services
  - 82% of users receive single type of home-based service

- Encouraging to mixed services
  - Home-visit service + Home-visit nursing
  - Daycare service + Home-visit Care
  - Daycare + Short-term respite service
Dementia: 780,000 patients (estimated)

- Additional 230 Dementia centers nationwide (apart from LTC Insurance)
  - Located at every municipal level
  - Provide early screening and follow-up care for dementia
  - Provide support for families who care for family members with dementia

$LCTI$ recipients with dementia: 62% (415,196)

- Recipients of Home-based care
  - 206,552 persons

- Recipients of Institutional care
  - 142,463 persons
Efforts to respond to COVID-19

- Releasing COVID-19 response guidelines for welfare and LTC facilities
  - Temperature check twice a day
  - Restrictions on visits, travels, and leaves
  - Exclusion of high-risk workers
  - Providing a detailed response plan against COVID-19

- Setting temporary reimbursement guidelines for LTC facilities and home-based LTC agencies by the Ministry of Health and Welfare (MoHW) and NHIS
  - Taking into account social distancing measures and staff shortages
  - Shortening the claim process and early payment for providers

- Daily checking and reporting system from daycare centers to NHIS
  - To provide safe services to LTCI beneficiaries