

Overview of Korean Long-term Care Insurance

7 June, 2019



Ministry of Health
and Welfare

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 elderly care

Introduction of LTC insurance

- **Implemented 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

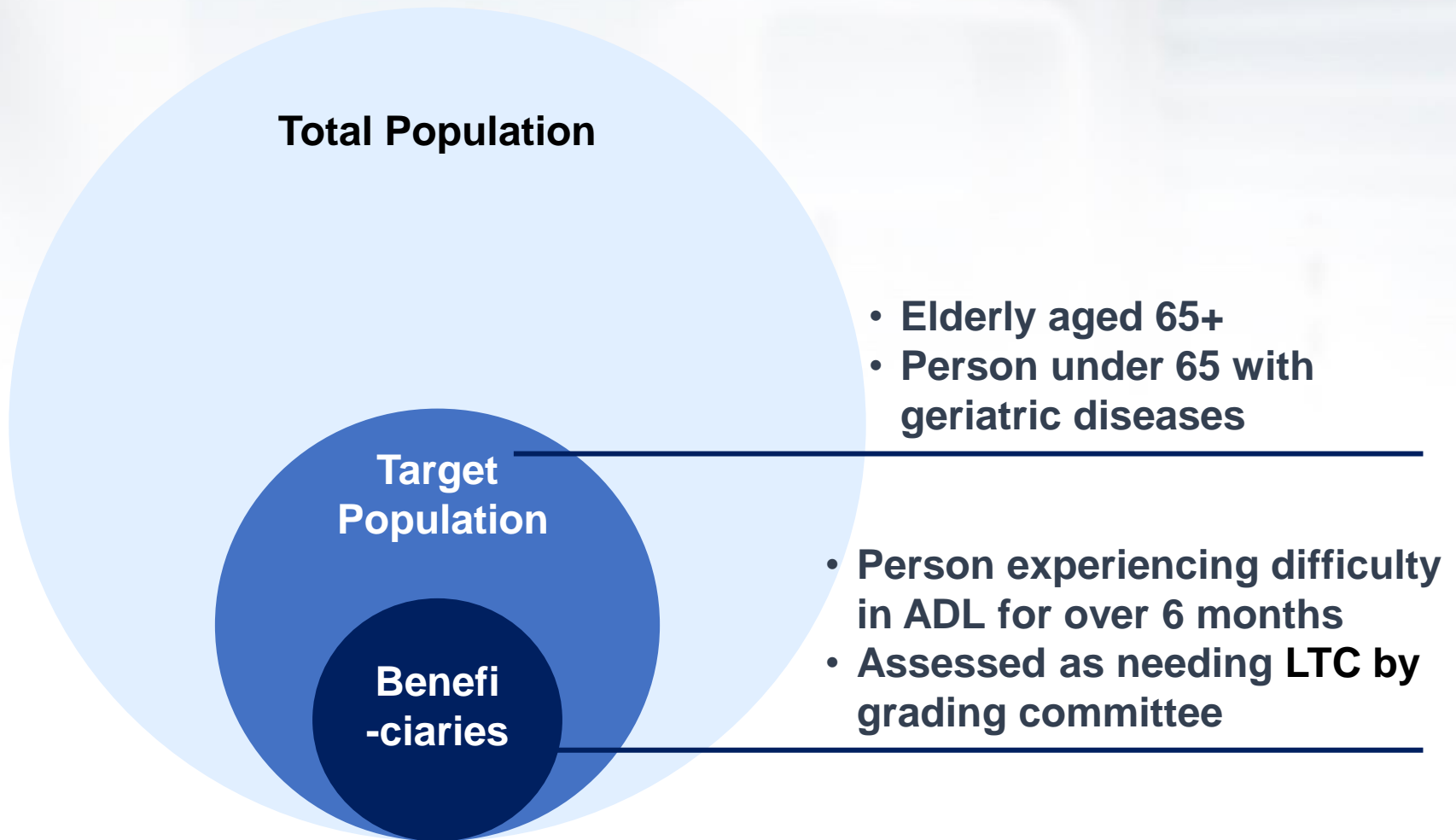
Person

- 1) Elderly aged 65 and over
- 2) People under 65
with geriatric diseases such as dementia, stroke etc.

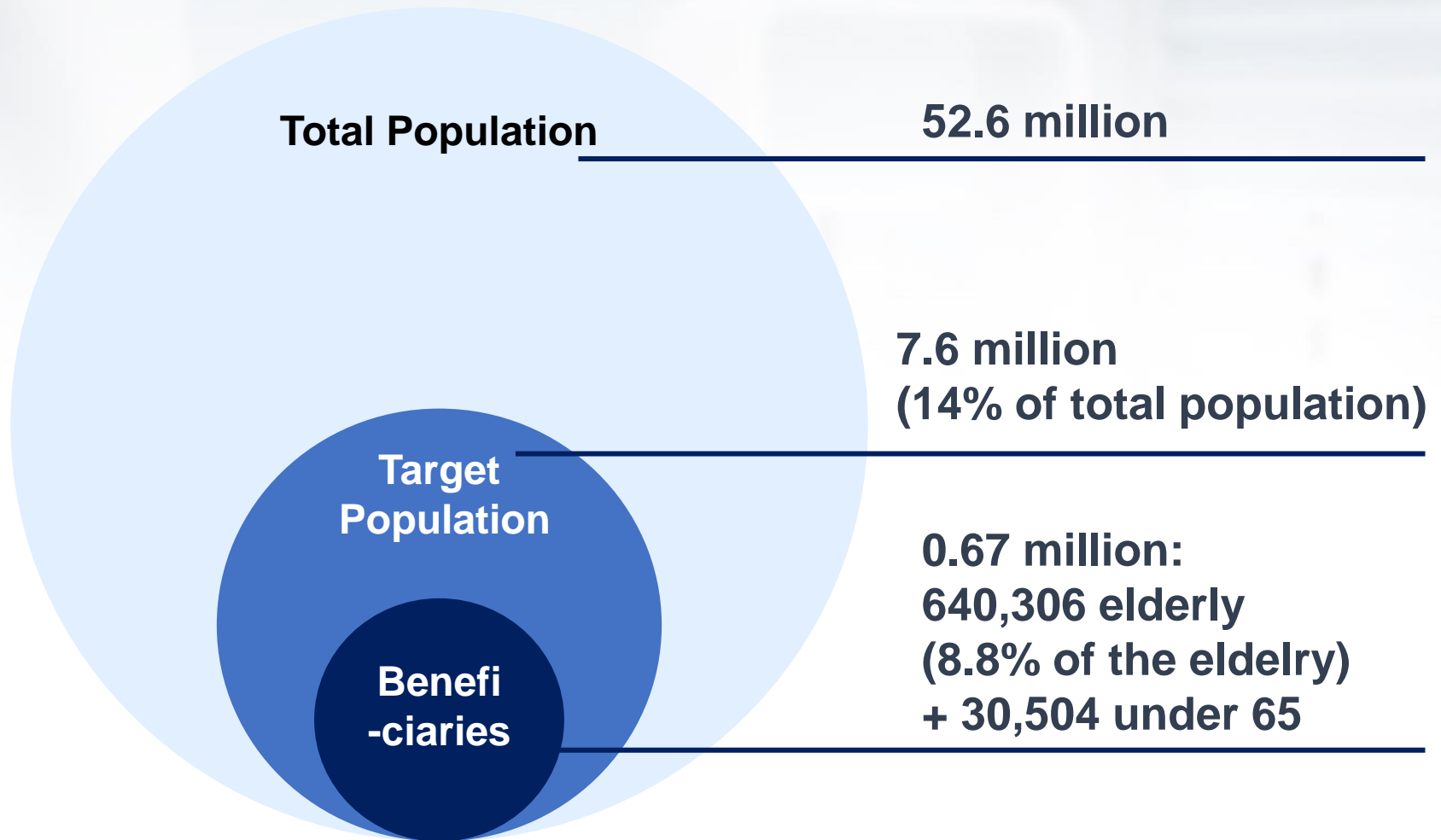
Condition

Must have experienced difficulties in performing activities of daily living (ADLs) for over 6 months

Beneficiaries



Number of Beneficiaries (2018)



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 provision

Bathing Vehicle



Equipment support (cap: \$1,344 per year)

8 Categories for Rental



Wheelchair



Automatic bed



Manual bed



Pressure relief mattress



Moving bathtub



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

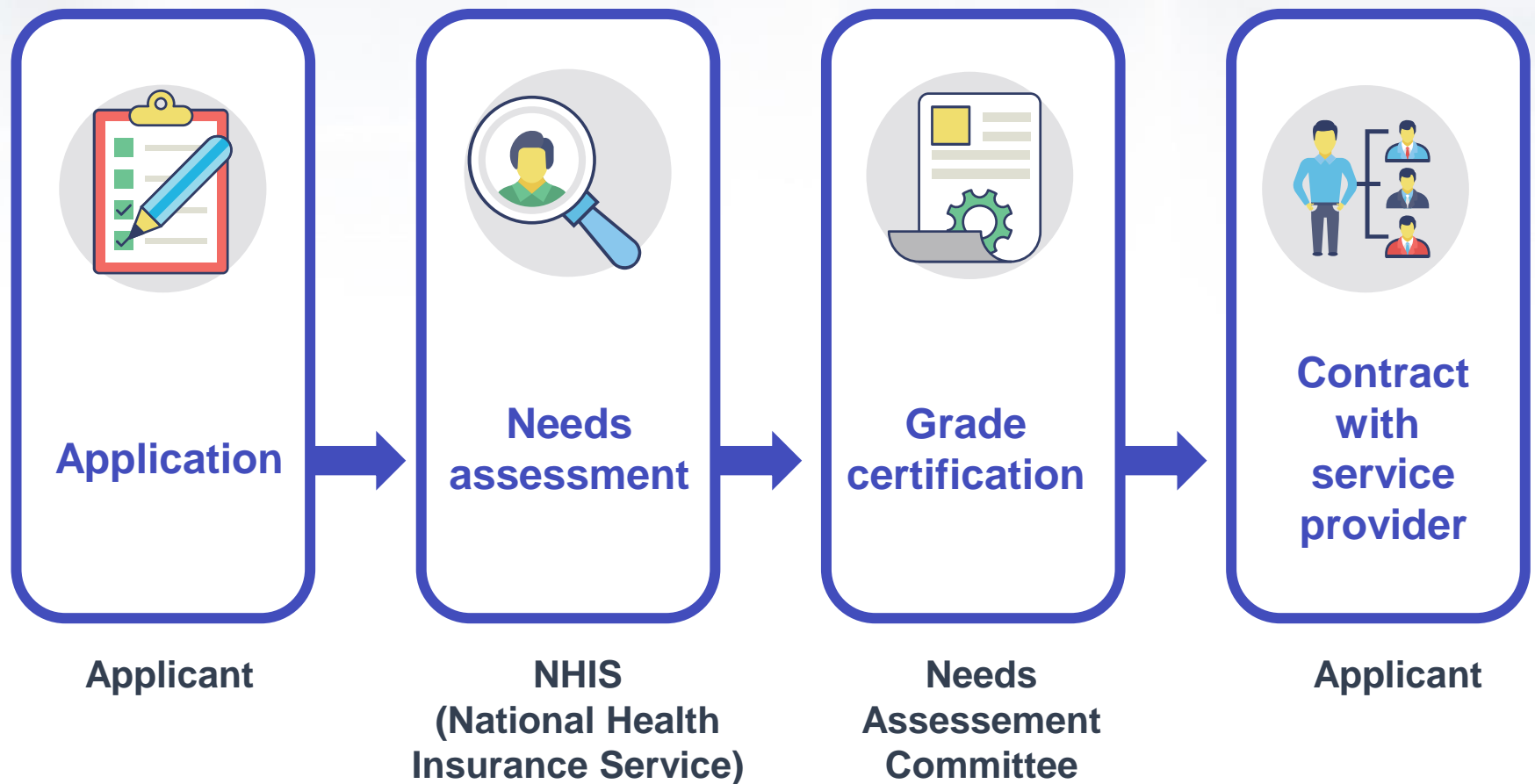


Positioning pillow



Underwear

Procedure



Needs Assessment

- **NHIS staff visit the applicant's house and conduct assessments using the questionnaire**
- **The questionnaire consists of 52 items to evaluate the applicant's difficulties of ADLs**
 - Does not include factors like loneliness or self-assessed ability to cope with difficulties.

Needs Assessment Committee

- **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 assigns the grade of the applicant.**
- **The Committee is held every 15 days.**
- **Assessment procedures must be completed within 30 days of application.**

Grades

Grade	Condition	Assessment score
Grade 1	requires full assistance in daily activities	95 and more
Grade 2	requires full assistance in daily activities	75~94
Grade 3	requires full assistance in daily activities	60~74
Grade 4	requires full assistance in daily activities	51~59
Grade 5	with dementia	45~50
Grade for Cognitive assistance	with dementia	less than 45

- Korea created new grades to include older people with dementia as LTC recipients: Grade 5 (2015) and Grade for Cognitive assistance (2018)
- Valid for 1 year for the first time.
Valid for 2-4 years once recipient retains the same grade upon renewal

Monthly cap for each grade

- Type and amount of benefit are determined by grade
 - Grades lower than 1 and 2 are not allowed to use institutional care
 - Unless they have dementia or reasons designated by regulation

Monthly benefit for home-based care

Grade	1	2	3	4	5	cognitive assistance
KRW	1,456,400	1,294,600	1,240,700	1,142,400	980,800	551,800
(USD)	1,223	1,088	1,042	950	824	464

Monthly benefit for institutional care

Grade	1	2	3-5
KRW	2,074,500	1,925,100	1,775,100
(USD)	1,743	1,617	1,491

Copayment

15%

for Home-based service

20%

for Institutional service

- **Reduced copayment for low-income households**

Income level	Copayment Amount
40% of median income	Zero
40-50% of median income	40%
50-100% of median income	60%

Prices per Service

- Price : Cost for human resources + Cost for facility management

<Obligatory human resources for each service>

Services		Manager	Social worker	Nurse	Personal care worker	Cook	Driver
Home-visit care		1	1 (more than 14 Recipients)	–	15 or more	–	–
Home-visit bathing		1	–	–	2 or more	–	–
Daycare	10 or more	1	1 or more	1 or more	7:1	1	1
	Less than 10	1	–	1 or more		1	–
Home-visit nursing		1	–	1 or more	–	–	–

Prices for home-visit care

Minutes	KRW	USD
30–59	14,120	11.9
60–	21,690	18.2
90–	29,080	24.4
120–	36,720	30.8
150–	41,730	35.1
180–	46,130	38.7
210–	50,190	42.2
240–	53,940	45.3

Prices for daycare

Hours	Grade	KRW	USD
3 hours	Grade 1	34,120	28.7
	Grade 2	31,590	26.5
	Grade 3	29,160	24.5
	Grade 4	27,830	23.4
	Grade 5	26,500	22.3
	Grade for cognitive assistance	26,500	22.3
6 hours	Grade 1	45,740	38.4
	Grade 2	42,370	35.6
	Grade 3	39,110	32.9
	Grade 4	37,780	31.7
	Grade 5	36,440	30.6
	Grade for cognitive assistance	36,440	30.6
8 hours	Grade 1	56,890	47.8
	Grade 2	52,710	44.3
	Grade 3	48,660	40.9
	Grade 4	47,330	39.8
	Grade 5	45,980	38.6
	Grade for cognitive assistance	45,980	38.6

Financial Structure

Revenue



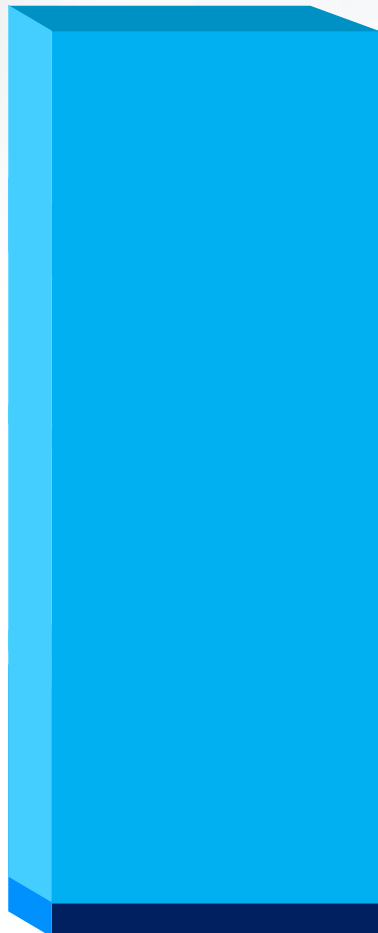
Contribution rate: 0.55% of income

* $\text{Income} \times \text{Health insurance rate}(6.46\%) \times \text{LTCI contribution rate}(8.51\%)$

Average per household: KRW 9,028 per month (USD 8)

Financial Structure

Expenditure



Benefits

KRW 6.3 trillion (USD 5.3 billion)

Management cost of NHIS

KRW 300 billion (USD 0.3 billion)

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), B, C, D, E (the worst)

Incentive

Financial incentives

Public reporting

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

Governance

**Ministry of
Health and Welfare**

Planning and policy development

**National Health
Insurance Service
(NHIS)**

Insurer and administrative operator

(227 branches nationwide with 4,000 staff)

- **Collect contributions**
- **Assess eligibility**
(Needs assessment, grade certification issuance)
- **Reimburse cost of benefits to service providers**

**Long-term Care
Committee**

Decision-making body

- **Contribution rate, benefit amounts, policy changes**
(22 members: governmental officials, experts and stakeholders)

Local gov't

Service provider supervision

- **Authorization for service providers**
- **Impose penalties on illegal activities of service providers**

Achievements

Achievements

- Important social safety net to prepare for an aging society

Pension

Health Insurance

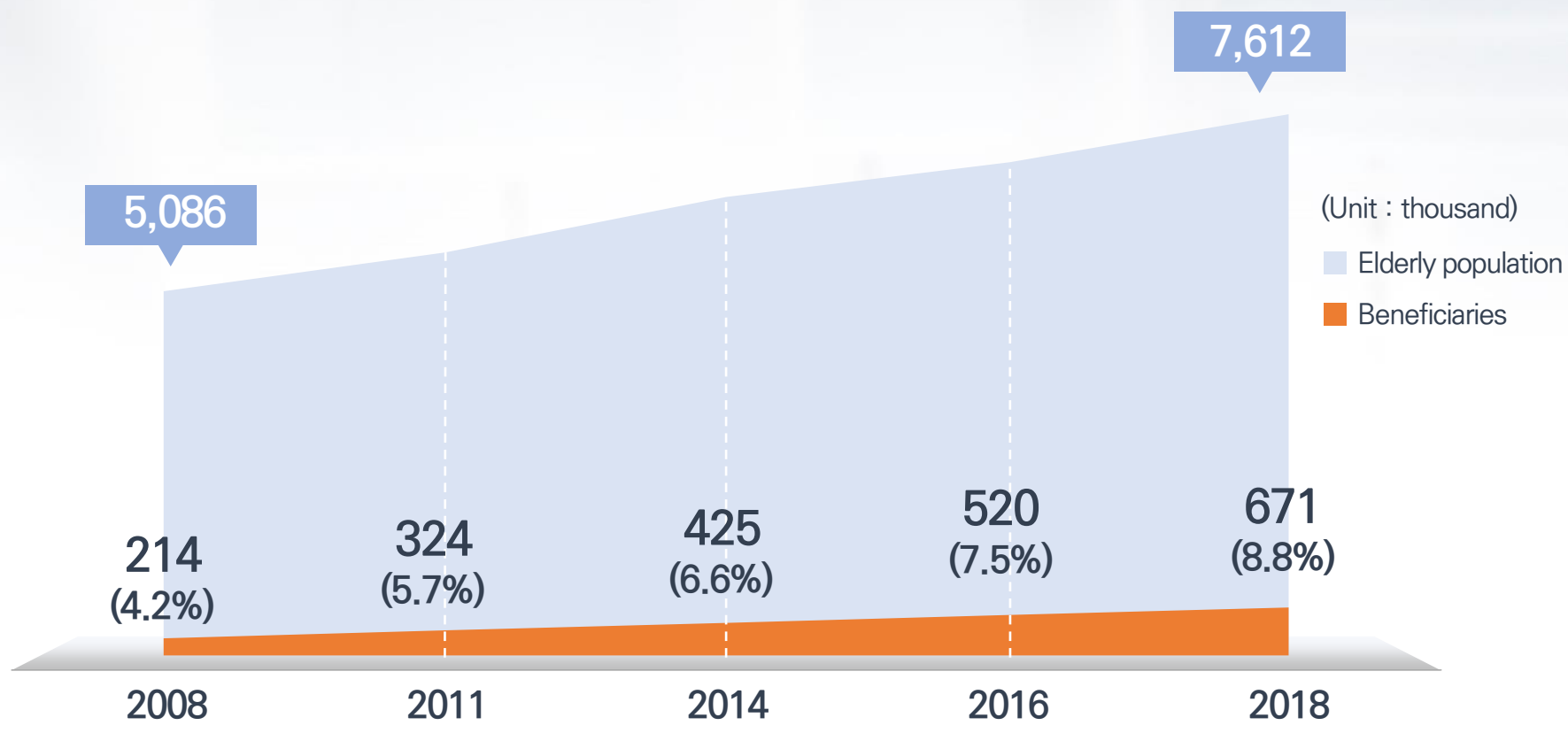
Employment Insurance

Industrial Accident Compensation Insurance

5th Social Insurance

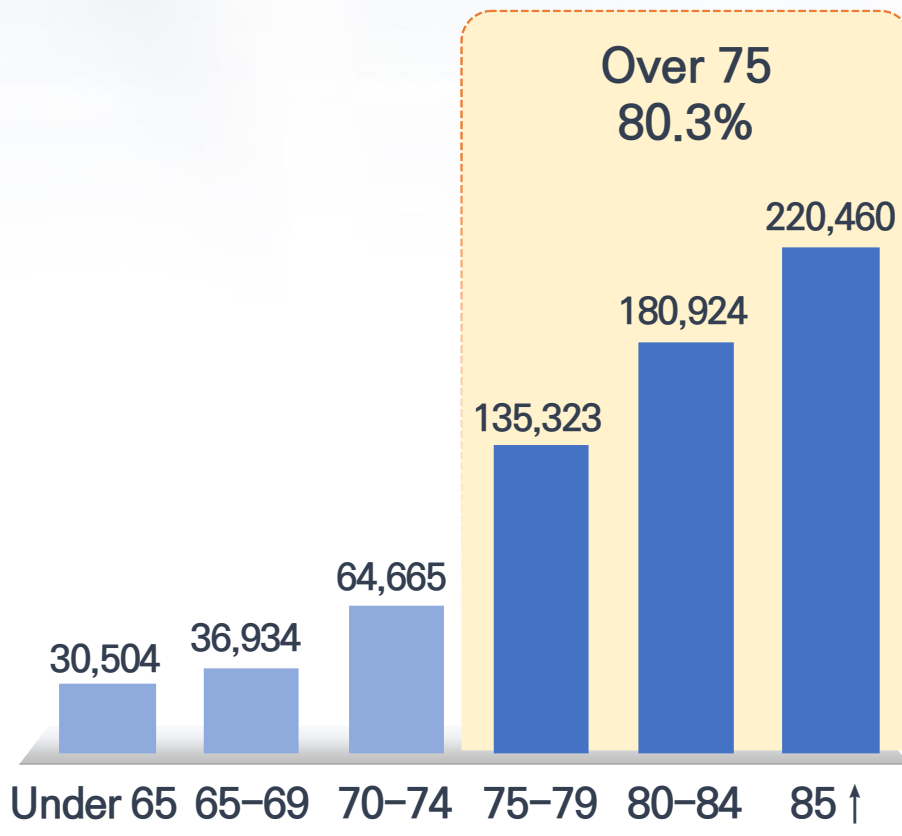
Long-term Care Insurance

Number of beneficiaries (total)

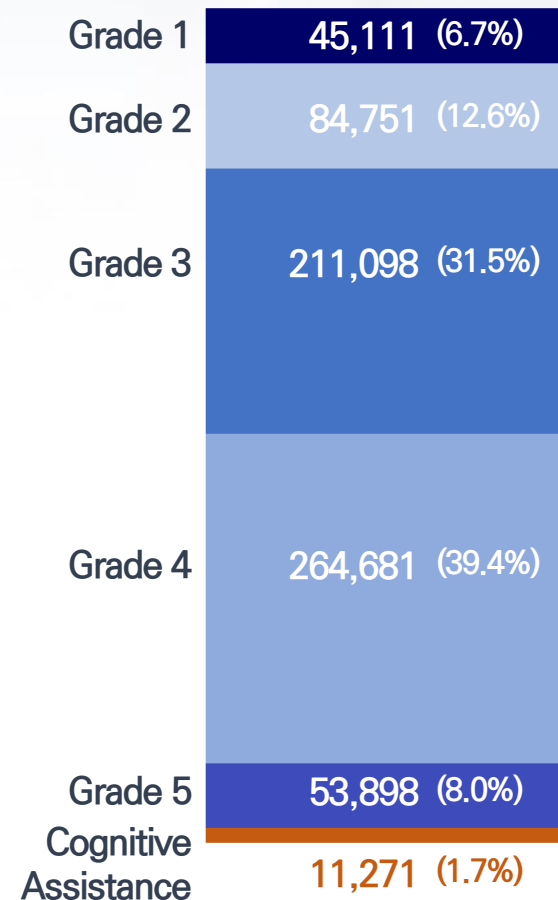


Number of beneficiaries (by age and grade)

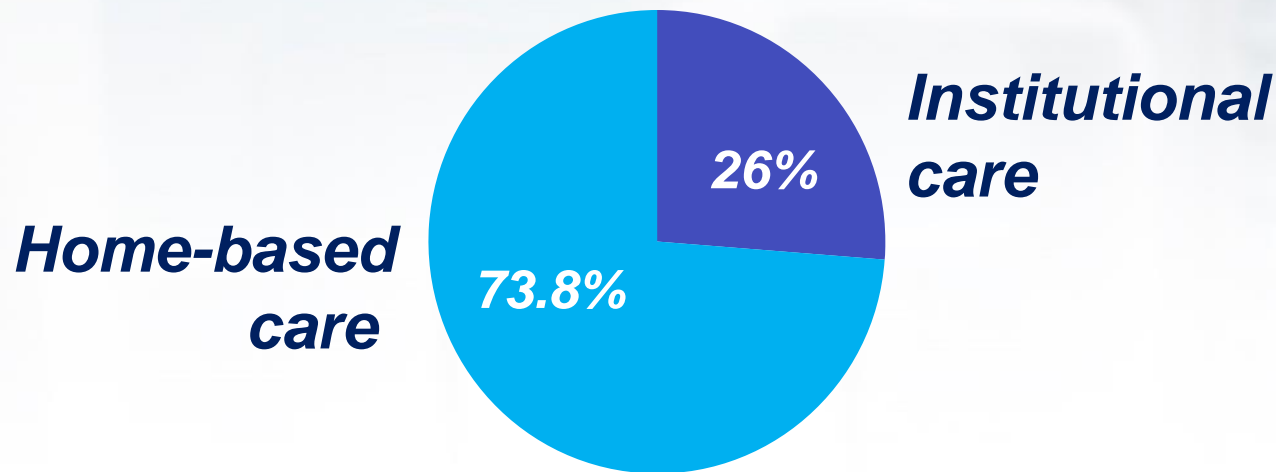
By Age



By Grade

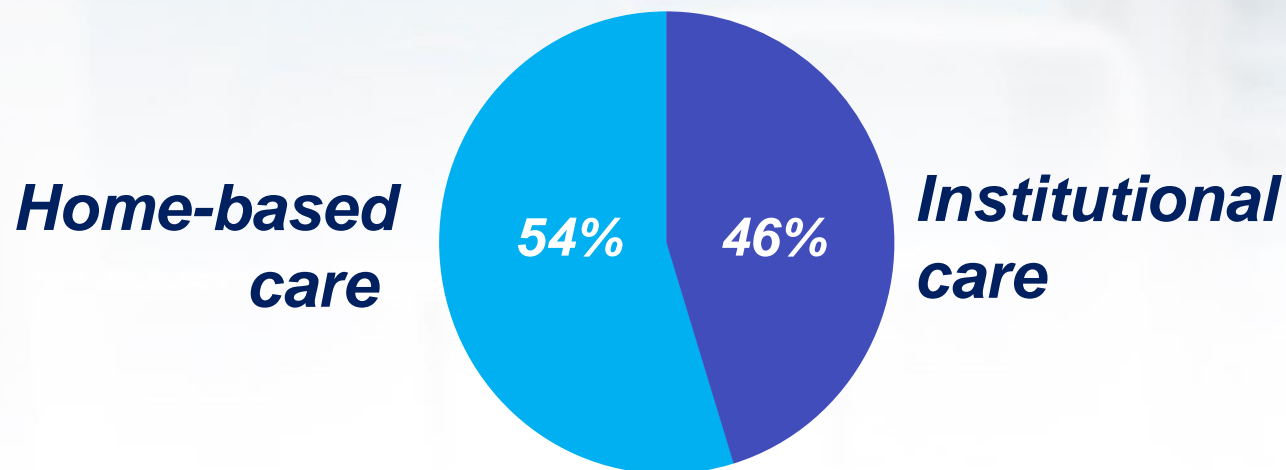


Recipients by services



<i>Institutional care</i>	<i>Home-based care</i>				
	Home-visit care	Daycare	Home-visit bathing	Home-visit nursing	Short-term Respite care
26.2%	48.2%	13.3%	9.9%	1.8%	0.6%
	73.8%				

Expenditure by service



<i>Institutional care</i>	<i>Home-based care</i>					
	Home-visit care	Daycare	Home-visit bathing	Home-visit nursing	Equipment support	Equipment support
46%	38%	11.7%	1.7%	0.3%	0.2%	2.1%
	54%					

Service Providers

- Institutional care providers : 5,320
- Home-care service providers : 28,000



Service Providers

Home-care visit	Home-care bathing	Home-care nursing
44%	35%	0.2%

Daycare	Short-term respite care	Provision of welfare equipment
11.4%	0.7%	7%

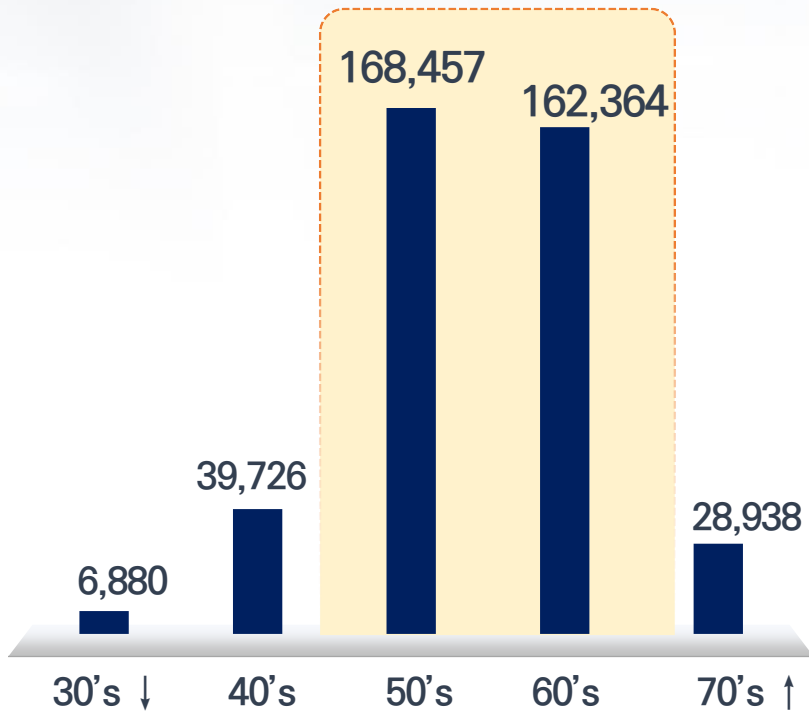
Number of LTC workers

Total		493,529
Personal Care worker	Sub-Total	406,365
	Institutional care	68,242
	Home-based care	338,123
Social Worker		22,366
Nurse		3,056
Assistant Nurse		11,477
Physical Therapist		2,231
Others		48,034

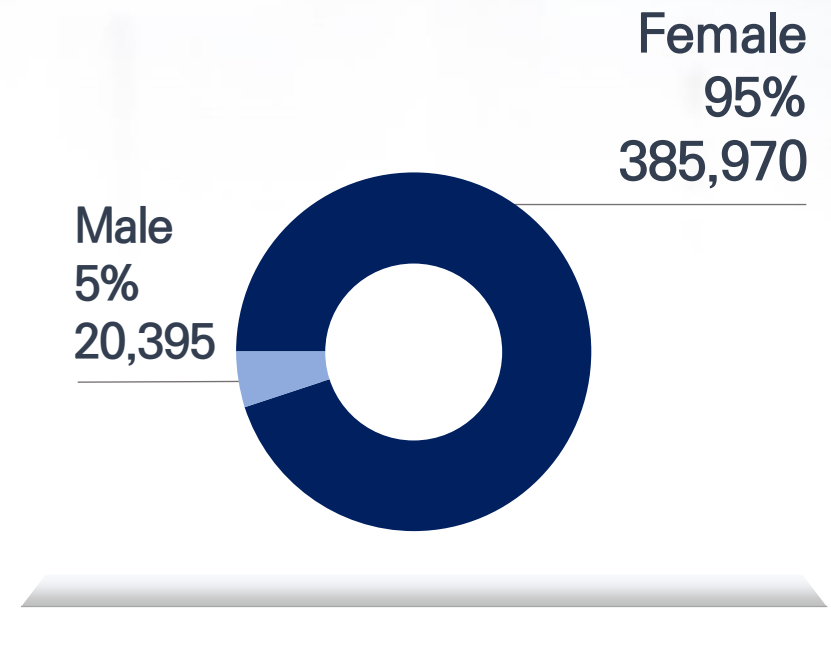
* As of Dec 2018 (Unit : Person)

Personal Care Workers

By Age



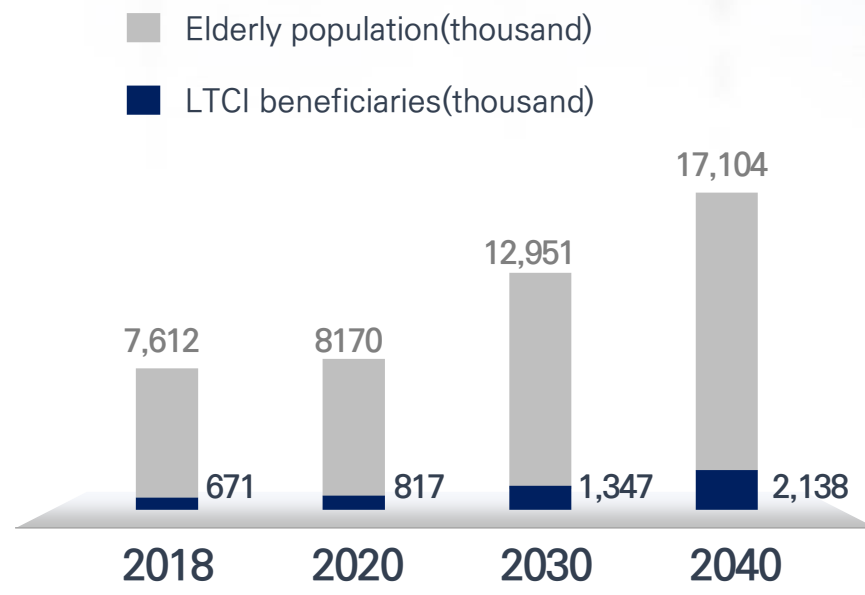
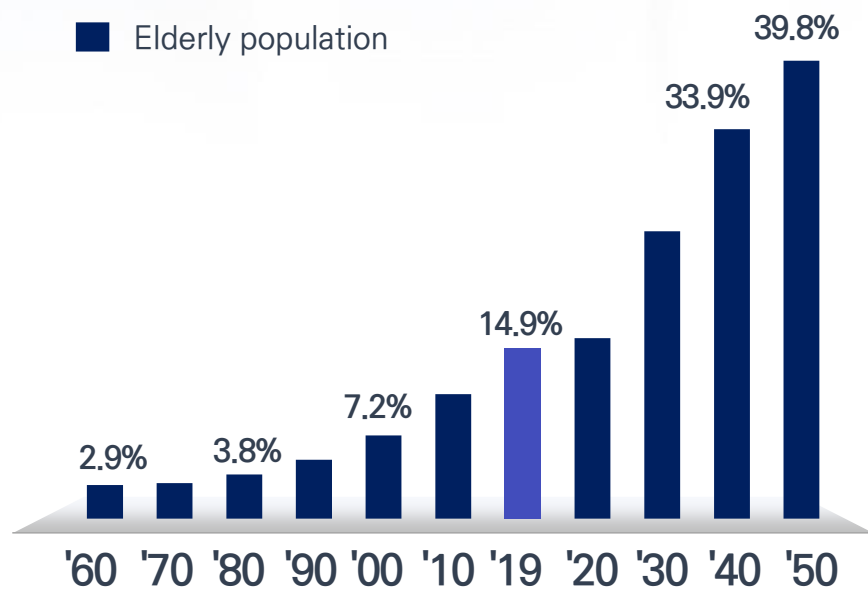
By Gender



Future Plans: Sustainability and Quality

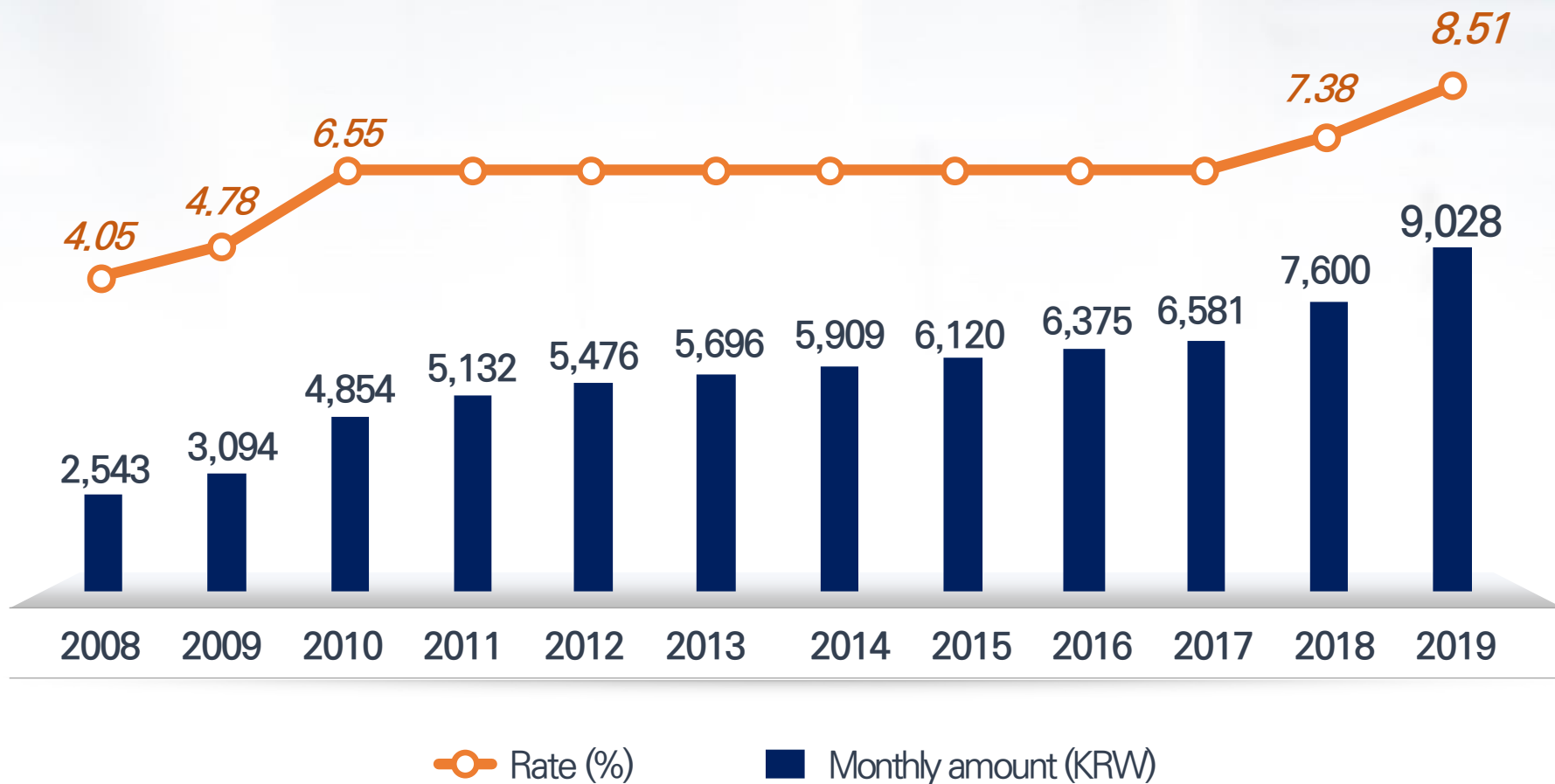
Aging trend

More 100,000 beneficiaries per year expected



Contribution rate

* Income x Health insurance rate(6.46%) x LTCI contribution rate(8.51%)



Upgraded Needs assessment

- **Korea is developing a new LTC assessment questionnaire to better include mental and cognitive impairments.**

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

- **82% receive single service of home-based services**
- **Encourage to mix appropriate services**
 - **Home-visit service + Home-visit nursing**
 - **Daycare service + Home-visit Care**
 - **Daycare + Short-term respite service**

Personal care workers: education and training

- **To be a personal care worker**
 - **Education (240 hours)**
: theory(80h)+practical skill(80h)+on the job training(80h)
 - **Qualification examination**
- **1.6 million personal care workers with certification as of 2018**
- **Strengthen education & training to improve expertise in dementia**

Dementia: 780,000 patients (estimated)

- **Additional 256 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)>



Thank you