

Consumer Co-operative Institute of Japan

Plaza F 15, Rokubancho, Chiyoda-ku, Tokyo
102-0085, Japan

Tel. 81-3-5216-6025 Fax. 81-3-5216-6030
ccij@jccu.coop

<http://www.co-op.or.jp/ccij/>

Main
Features

Japanese Co-ops Share one Voice on Reforms for Long Term Care Insurance Deborah Steinhoff

Co-ops Take a Stand

Japan's social health care system is facing the challenges of an aging population. A Long Term Care Insurance system, to address the situation, was put in place in April 2000. Under law, this new system was to be revised in five years from its enactment; this is 2005. The government is now in the process of making adjustments to this law. On the table is a proposal to eliminate insurance benefits for home help services to those elderly persons who have only little or moderate need for care at home. The five major co-operative unions oppose the proposal to cut these benefits. The Japanese Consumer Co-operative Union, JA Zenchu (Agricultural Co-op), Zengyoren (Fishery Co-op), Rokyoren (Worker Co-ops) and Koreikyo (Senior Citizens' Co-op) share one voice when it comes to their vision for health care in Japan and especially in terms of Long Term Care for the elderly. Together the Co-ops submitted a joint proposal to a special council appointed by the Ministry of Health, Labour and Welfare (MHLW) arguing that home help is essential in terms of preventative care and is the most effective way to provide care for the elderly, and as such should be covered by Long Term Care Insurance.

The Debate Over Reforming Long Term Care Insurance

A special reform council, appointed by the MHLW, has been given the charge of coordinating discussions on how best to reform Long Term Care Insurance. By the fall of 2005, based on the findings of the council, a senior ministry advisory group will issue formal recommendations and then the ministry will draft legislation for passage in the Diet. The plan

Contents;

Japanese Co-ops Share one Voice on Reforms for Long Term Care Insurance Deborah Steinhoff	1
CCIJ's Open Forum Analyzed Economic and Social Dimensions of Consumer	6
CCIJ Joins Hands with other Think Tanks to Promote the Civic Sector	6
Robert Owen Association published a Volume on Global Citizenship in English	6

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is for the newly reformed Long Term Care Insurance system to be in operation by the spring of 2006. Co-ops are taking an active role in this heated debate over the reforms to Long Term Care Insurance.

One of the main debates is over home help care for seniors. The Long Term Care Insurance system divides care levels into six categories, beginning at a very low level of need and moves up the ladder in increments to near total dependency. Out of the approximate 3.74 million consumers enrolled in Long Term Care Insurance, approximately 45 percent of the users fall into the lowest two categories of the six-tiered ladder framework. The system, reimburses 90 percent of costs, including food and board, if a user is living in a registered long term care facility regardless of the level of care needed, while the system only reimburses the cost of the care itself if a user resides in their own home. Therefore, as the system stands, it is cheaper for users to admit themselves into a care facility, even if they only need a low to moderate level of care. The cost for the user is less to stay in a hospital than it costs to receive minor care at home. This situation, referred to as "social hospitalization," is under review. This phenomenon, which occurred after the Long Term Care Insurance went into effect, is accompanied by a lack of standards in medical care facilities because with the introduction of the new care insurance law, many organizations saw business opportunities and rushed to set-up care facilities and private hospitals. The services offered by these new facilities, however, are now coming under scrutiny regarding standards and the quality of care.

With tax revenues and insurance plans not able to cover the costs of Long Term Care Insurance for the nearly three and three quarter million seniors enrolled in the system, three major reform alternatives are being considered by policy makers. These are: 1) cut or change benefits, (2) raise premiums and/or 3) increase the number of consumers paying into the system, either through taxes or insurance. Of the three options, the special council appointed by the Ministry of Health, Labour and Welfare is focused on the first option of cost containment by curtailing benefits. The council proposes cutting home help benefits for those users who need only little or moderate home help care services. To support this position the council refers to studies that show that the rapidly rising cost of Long Term Care Insurance is due to the proportionately heavy usage by elderly consumers who have relatively low levels of need for help. In other words, the council has concluded that including these consumers in the system is very expensive and is unsustainable. The council further argues that studies show that there is little evidence to show that the users of low-level home help services, such as cooking, cleaning and shopping, lead to improvement in the user's condition. But officials are careful not to make a blanket evaluation that users do not decline if denied these service. Thus the special council is proposing that home help services move away from welfare services toward medical services. It is their intention that by shifting the emphasis this will save the burden of medical insurance and the government will provide medical care based on medically certified need, but will not support home help welfare needs.

The other two options are more political in nature and as such they are less viable options. Raising premiums, for example, although an option, will likely be the least considered of the three alternatives since this is a parliamentary election year and politicians are not in favor of increasing living costs for the large retired voter base. The third option of expanding the system to include younger taxpayers is being met with stiff resistance from the business community. Furthermore, at a time when Japan needs to increase domestic consumption there is concern that increasing the tax burden on younger consumers will further decrease consumption.

In terms of cutting benefit covered under Long Term Care Insurance, the debate is very heated among the many players involved including Co-ops, and private, non-profit and public hospitals. It is important to consider that Long Term Care Insurance reform is not being dealt with in isolation, but that it is being considered within the larger ongoing political discussion about comprehensive social welfare reform, which includes health and pension along with Long Term Care Insurance.

Co-op's Opinion Paper

Co-op entered the debate on Long Term Care Insurance reform when in July 2004 the Joint Co-op Committee submitted an opinion paper two days before the special council appointed by the MHLW was to meet. This was a significant move because all five major Co-operative unions came together, transcending their differences, to submit a consensus opinion paper, which not merely showed united action, but reaffirmed the strength of Co-ops in the field of social services and all that they have achieved over the years, as well as reconfirming their validity with regard to health-care and social services today.

Co-ops, in the joint opinion paper, unanimously support the position that home help services are essential to caring for the elderly and must be covered under Long Term Care Insurance and provided for through social care services. In summary, the Co-op's opinion report states the following:

First, it is important to recognize and establish that home help are fundamental services and the continuity of these services must be ensured in order for the elderly to continue to live healthy, safe and stable lives at home.

Second, statistics gathered by Co-ops in recent years show that the number of home visits for home help is far greater than the visits for physical nursing care. Home help, therefore, must remain an important part of preventative health care and long-term social care services. In order to ensure this, there is a need to create a community based comprehensive support center where the individual needs and situations of the user can be properly evaluated in order for the community to provide the appropriate services either through home help or through clinics and care facilities or a combination of both.

Co-ops have proven to be leaders in establishing community-based social and health services. The special council should consider developing community based services and in this regard Co-op has much experience to contribute. Since submitting opinion paper Co-ops have continued to argue their position to the government.

The Special Council's Position

The special council has put forth the following information regarding their position. The Long-Term-Care Insurance Law divides care into two categories: home visits and institutional care. Home visit services are then categorized into physical care and home help. Physical care includes physical therapy and bathing etc, while home help refers to cooking, cleaning, washing and shopping etc. The council advocates taking action to reorganize services offered according to action and function. Home help services are among the services being assessed from the point-of-view of whether they are supporting self-sufficiency or not. A full review of the services and methods used and an evaluation of their effectiveness vs. their cost are now underway.

One option proposed is to lessen/fade-out home help for services other than

care which falls into designated categories such as nutrition, dental care, osteoporosis, bone loss, muscle strength, dementia, depression and anxiety. The council's position is that home help services would best serve the public if the services move away from welfare services toward medical services. They propose to provide medical care based on medically certified need in order to shift the emphasis and take the burden for social services away from medical insurance. However critical the council is of home help services, it does not wholly reject the notion, however, that there is a need for home help among elderly people living in their own homes, and as such the council is open to exploring the options of having local governments take responsibility to provide these services.

Co-ops Stand on Health & Welfare Services

Co-op takes the stand that home help for the elderly is an essential social service. They support elderly people who have entered into the stage of life where they need help to perform daily functions while they do not need to be in institutions. Therefore the task of Co-op welfare programs is to demand of the government that elderly people receive adequate support and help at home. This is in accordance with many recent reports by the WHO and world trends that show that elderly in need of home help services benefit from these services.

In the four years since the Long-Term Care Insurance has been introduced, the users have increased sharply and Co-op's mutual aid programs for home help have fulfilled a very important role. Co-ops believe that cutting home help services will have detrimental effects on many households and that in the long run, by cutting these services Japan will see more seniors in need of more intensive care, rather than maintaining senior's independence with only a little home help.

Co-ops have long provided home help and long-term care for its members prior to the government adoption of Long Term Care Insurance. All through the 1980s and 1990, Co-ops developed voluntary mutual aid services that provided home help for the elderly. In this regard, Co-op Kobe has served as a model of how Co-ops can provide welfare services within the community.

Concluding Thoughts

Withdrawing insurance coverage for home help services will have a tremendous impact on the quality of life for many senior citizens and may be detrimental for many households throughout Japan. The five Co-op unions together recognize that home help services have to be sustained, not merely from a business strategy viewpoint for Co-ops, but in the interest of preserving the quality of life for all seniors. This opinion is based on Co-op's cumulative experience and involvement in home help, and their fundamental stand that it is important to support self-sufficiency of the elderly. In this regard, Co-ops are now evaluating how to further develop services and programs to provide community-based welfare services and health care for the elderly.

Through the co-operation of the five major co-operative unions, Co-op as an entity now has the opportunity to provide the basis for a new level of development and involvement for Co-ops in the health and welfare system. Co-op's goal is to create a comprehensive system of care for the elderly that relies on the roots of Co-op's mutual assistance; this is self-sufficiency and self-help. Co-ops are now learning from one another and strategizing how they can reconstitute and readjust their role in terms of

providing services for the elderly. There is need for Co-op to expand its vision and go beyond home help and establish a network of support clinics. Although this is not well developed yet, Co-op has a vision to develop a system, which can provide services at least one day a month per member. In developing this, Co-op is looking to the models of Co-ops, such as Seikatsu Club and Chiba Co-op that already offer members more than one day a month of services. Co-ops also plan to work together with the regional welfare offices and the care facilities of the Senior Citizen Co-ops to develop their vision. Needless to say, the wealth of experience that Agricultural Co-ops have accumulated by caring for the elderly over the decades will surely prove to be valuable to Co-ops as they further defines their role in caring for the elderly.

CCIJ's Open Forum Analyzed Economic and Social Dimensions of Consumer Co-ops

As part of CCIJ's ongoing research/scholarship program, CCIJ invited researchers and practitioners to submit research proposals for 2005. In 2004, six research projects were accepted and awarded scholarships. The final products of these research projects were published in a booklet. Amongst others a group led by Prof. K. Hoshino, Fukushima University, conducted a survey of Miyagi Co-op from a management perspective, which was featured in CCIJ's Open Forum on March 23. Three assistant professors introduced their findings based on ROA/EVA analysis and description of the 'co-op way' and perception of organizational fairness. Mr. Haga, President of Miyagi Co-op, expressed his appreciation for this research.

CCIJ Joins Hands with other Think Tanks to Promote the Civic Sector

The social economy or the Civic Sector has been hardly recognized by the general public or government; it has thus far attracted only a few academicians. Different laws regulate different types of co-operatives, mutuals and nonprofits, while the collaboration among them had been hampered due to institutional reasons. Against this background, several think tanks started networking and organized seminars to which the leading researchers in the field from outside were invited. On March 11th, CCIJ, the Civic Sector Policy Organization, TUC Research Institute and other think tanks gathered to discuss a road map towards creating the Civic Sector and decided to organize a study group on Social Enterprise and hold a symposium in Tokyo in autumn.

Robert Owen Association published a Volume on Global Citizenship in English

The Emergence of Global Citizenship: Utopian Ideas, Co-operative Movements and the Third Sector is the title of the new volume published by the Robert Owen Association (ROA) and edited by Chushichi Tsuzuki, Naobumi Hijikata and Akira Kurimoto. In 1992 ROA produced its first English book, *Robert Owen and the World of Co-operation* to commemorate the ICA Tokyo Congress held that year.

The Emergence of Global Citizenship is divided into three parts:

- Part Implications of Utopian Ideas and Schemes
- Part Interaction between Co-operative Ideas and Practices
- Part The Third Sector in the Era of 'Globalization'

Twenty authors from Canada, France, Germany, India, Japan, UK and the USA contributed to this volume. The aim of the publication is clearly seen in the introduction written by Prof. Tsuzuki:

We are less interested in a theoretical or idealistic framework of Global Citizenship as described above than in its historical growth. We propose to trace the emergence of the ideas and schemes of Global Citizenship mainly in the evolution of co-operative ideas and movements from the nineteenth century onward by examining the process of how global thinking for the common people germinated in the industrial and semi-industrial societies, especially socialist and utopian ideas and schemes, and how co-operative movements, both consumers' and producers', developed to embody human visions and wisdom. This may be called globalization from below or from within.

The Emergence of Global Citizenship: Utopian Ideas, Co-operative Movements and the Third Sector is available by request at CCIJ. Please contact ccij@jccu.co-op. (Price ¥2,000 plus postage).