

# Study on the Current Situation and Countermeasures of Long-term Care for the Disabled Elderly in Guangzhou

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**Abstract:** Guangzhou is a city with an intermediate level of population aging. With the gradual deepening of population aging, the number of disabled elders is increasing year by year, and the demand for long-term care is also increasing. Meanwhile, Guangzhou has entered the second phase of the pilot implementation of long-term care insurance system. This paper studies the current situation of long-term care for the disabled elders in Guangzhou, aiming to further explore the path of sustainable development of long-term care in Guangzhou and analyze the existing problems to bring inspiration and reference for the development and improvement of long-term care in Guangzhou and even in China.

**Keywords:** disabled elder, long-term care, sustainable development

Guangzhou has entered the population aging society since 1992 and is one of the earliest cities in China to begin population aging. With the development over the past 29 years, Guangzhou has now become an intermediate level of population aging city, and the degree of population aging is gradually deepening<sup>[1]</sup>. The results of the seventh national census show that as of November 2020, Guangzhou's population aged 60 and above reached 2,130,598, accounting for 11.41% of the total population, of which 1,460,333 were aged 65 and above, accounting for 7.82% of the total population, of which about 240,000 were disabled and semi-disabled elders<sup>[2]</sup>. As aging further deepens, the number of disabled, elderly people is increasing year by year, and the demand for long-term care is very high. However, influenced by factors such as the trend toward fewer children in reproductive attitudes, the shift toward smaller family structures, the increasing population mobility, and the gradual increase in women's labor market participation, the traditional family elder-care functions have weakened significantly, leading to a further expansion of the demand gap for elderly population care in society. In addition, the care needs of the disabled, elderly population remain unmet for a long time due to the escalating cost of long-term care and the lack of professional service providers. It is important for Guangzhou to explore a sustainable way to develop long-term care to address the care of disabled elders.

## 1. Current Situation of Long-Term Care for the Disabled Elders in Guangzhou

In order to solve the problem of long-term care for disabled elders and guarantee their peaceful life, China has been making beneficial attempts in the construction of a long-term care insurance system. Specifically, China promulgated the "Guidance Opinions of the General Office of the Ministry of Human Resources and Social Security on the Piloting of Long-term Care Insurance System" on June 27, 2016, proposing to carry out long-term care insurance system in 15 cities across the country on a pilot basis, and identified two provinces, Shandong and Jilin, as key provinces. The pilot objective is "exploring the establishment of a social insurance system that raises funds in the form of mutual social assistance and provides financial or service guarantees for basic living care and medical care closely related to basic living for long-term disabled persons. Use 1-2 years of pilot time to accumulate experience, and strive to basically form the policy framework of long-term care insurance system adapted to China's socialist market economy system during the '13th Five-Year Plan' period." In March 2019, the government work report clearly proposed to "expand the pilot long-term care insurance system, so that the elders can have a happy old-age life, and later people will have a promising future." In April of the same year, the State Council's "Opinions on the Division of Work in Key Departments

for the Implementation of the Government Work Report" specified that the National Health Insurance Bureau would take the lead in expanding the pilot long-term care insurance system. In September 2020, the National Health Insurance Bureau and the Ministry of Finance issued the "Guidance on Expanding the Pilot Long-term Care Insurance System". In addition to the original pilot cities, 14 new pilot cities were added to further promote the pilot long-term care insurance system, with the aim of basically forming a policy framework for the long-term care insurance system and promoting the establishment of a sound multi-level long-term care insurance system during the 14th Five-Year Plan period.

Guangzhou is the first batch of pilot cities where the long-term care insurance system was carried out by the state in 2016. It actively carried out this work in accordance with the state's guidelines and constructed a social insurance system of long-term care service insurance for disabled people in Guangzhou, which can provide basic living care and medical care services closely related to basic living.

### ***1.1 The Demand for Long-Term Care for Disabled Elders is Continuously Met, and the Overall Operation of the Relevant System is Stable***

Long-term care insurance has been steadily promoted, with a total of 97 designated service providers for long-term care agreements, 21,800 applications for long-term care, and 13,300 people receiving long-term care insurance benefits<sup>[3]</sup>.

### ***1.2 The Government Tries to Develop Relevant Commercial Insurance as a Supplement***

In 2019, Guangzhou City took the lead in implementing commercial insurance for the care of the elders with severe disabilities, with the Municipal Civil Affairs Bureau, Health and Wellness Commission, and Medical Security Bureau issuing the "Implementation Plan for Commercial Insurance for the Care of the Elders with Severe Disability in Guangzhou City (for Trial Implementation)." The city will provide 37 basic life care services and 30 medical care services for eligible senior citizens and achieve full coverage of care insurance for severely disabled people aged 80 and above who participate in medical insurance, filling the gap of the city's long-term care insurance pilot that does not cover urban and rural residents' medical insurance participants. As of June 30, 2020, Guangzhou's service providers had provided services to the elders a total of 339,800 times, of which 87.73% were basic life care services. The cumulative amount allocated for senior care insurance is 8,599,800 yuan.

### ***1.3 Service Development by Professional Service Providers for the Elderly with Disabilities***

For elderly people aged 80 and above who are unable to take care of themselves due to old age, disease, disability, and other reasons, professional service agencies will develop service plans to provide 37 basic life care services such as environment and safety, assistance in eating, assistance in taking medication, ambulatory care, dementia care, and 30 medical care services such as diabetic foot care, cognitive-perceptual dysfunction training and comprehensive training for hemiplegic limbs.

### ***1.4 Centralized Care, Diaspora Agreements, and Home Care Services for the Disabled Elders***

The government assesses the ability of the elders to take care of themselves and is responsible for coordinating the implementation of the provision of beds. It encourages the elderly who are assessed to be incapacitated to live in special hardship institutions or other professional institutions for centralized care. At the same time, it encourages the signing of agreements with the elders who are disabled to provide care for them in the diaspora and clarifies the relevant responsibilities.

Arranging qualified professional service institutions to formulate care plans for special hardship cases according to their care standards, signing care agreements, specifying the content of care, care standards, and care time, and ensuring that care work is implemented<sup>[4]</sup>.

## **2. Problems in Long-Term Care for the Elderly with Disabilities**

Although Guangzhou has made many attempts, the current situation of long-term care is mainly provided by elderly institutions and community-based elderly care services. The current supply capacity of elder care services in Guangzhou is still insufficient compared to the people's needs for a

better life and happy aging, and the inadequate and unbalanced development is particularly prominent. Eldercare insurance is in urgent need of expansion and quality improvement.

### ***2.1 Inadequate Policy System and Lack of National-Level Legislative Protection***

During the pilot period, Guangzhou's long-term care insurance will temporarily cover employees' medical insurance participants, and the fund source will rely entirely on the allocation from the employee's social, medical insurance fund, with no individual or unit contribution for the time being. The use of health insurance fund balance to raise funds is only a stopgap measure. A secure and stable funding channel will support a more sustainable and stable system. In addition, as the pilot project progresses, the effect of the system is gradually emerging, and there is a growing call to expand the coverage of the system, especially to include urban and rural residents in the health insurance coverage. It is particularly urgent to explore the establishment of independent and diversified funding channels and to promote the full coverage of long-term care insurance. Moreover, the positioning of long-term care insurance policy is not clear, and there is a lack of legislative support at the national level.

### ***2.2 Coverage of the Population is Still Limited***

The number of senior citizens with household registration in Guangzhou has reached 1.755 million. However, the current long-term care insurance and high care insurance only cover 20,000 participants who are over 80 years old in Guangzhou. There are still many severely disabled elderly people who are not included.

### ***2.3 Insurance Funding Channels Need to Be Expanded***

At present, the financing channel of long-term care insurance mainly relies on the allocation of the basic medical insurance fund and financial subsidies. If the balance of medical insurance funds is small or insufficient, the financing of care insurance will be seriously affected. As commercial insurance, the current participants of high care insurance are very limited. It is necessary to add more funding channels and let more insurance institutions join in to meet the professional care needs of more disabled, elderly people.

### ***2.4 The Precision of Treatment Payment and the Efficiency of Fund Use Need to Be Improved***

Long-term care services require a reasonable care plan based on the assessment of the level of disability so as to determine the scope of targeted services. At present, the long-term care insurance appraisal and assessment process in Guangzhou has basically completed the assessment of disability level, but it has not been able to further standardize and scientifically identify the care needs based on the assessment conclusion. The long-term care insurance system in Guangzhou requires participants to score no higher than 40 points for activities of daily living (including 40 points) and no higher than 60 points for dementia (moderate or severe) to qualify for long-term care insurance benefits. This means that entitlement is either yes or no, and there are no different levels of entitlement depending on the score. The treatment administration appears to be rough. An interface mechanism between the two needs to be established to improve the accuracy of treatment payments and the efficiency of fund use.

### ***2.5 Insufficient Service Support Capability***

First, the number of service providers is insufficient. At present, there are 97 long-term care insurance designated institutions in Guangzhou, which have initially solved the long-term care service needs of some insured people but compared with the potential demand, there is still much room to improve the service supply capacity. The phenomenon of "one bed is hard to find" is more prominent in public nursing institutions than in medical institutions, while private nursing institutions generally feel that government subsidies are not strong enough and have to set "management fees" and "one-time infrastructure construction fees" in order to recover costs. This, in turn, affects the occupancy rate. Second, the development of the service system in urban and rural areas is uneven. Under the premise that there is an overall shortage of institutions and personnel, the current long-term care service system in Guangzhou is characterized by uneven development between urban and rural areas. There are relatively more nursing institutions and service personnel in the central city, while there is a lack of nursing institutions and service personnel far from the central administrative area. The unbalanced development of the long-term care insurance service system in urban and rural areas affects the

accessibility of long-term care insurance services.

### ***2.6 Service Team Needs Further Construction***

Guangzhou is currently facing the urgent problem of a shortage of caregivers for long-term care services. Public elderly care institutions are not very active in participation. Private institutions need to be better supervised. The code of conduct for service providers is still in the process of improvement. The qualifications of service personnel need to be regulated urgently. There are currently three difficulties in the elderly caregiver market: (1) The number of elderly caregivers is seriously insufficient. The ideal elderly care model is to reach 90% of the elderly at home, 6% of the elderly in the community, and 4% in the nursing home. According to this ratio, there is still a large shortage according to the total elderly population in Guangzhou. (2) The degree of specialization is not high. In private elderly care institutions, for example, the number of technicians, senior elder caregivers, and intermediate elder caregivers is low, and most of them are junior elderly caregivers. In addition, the overall level of specialization of elderly caregivers is not high, and they can only help feed, turn over and rub backs and help with toileting. (3) Low overall education level and high turnover rate. Most of them have only received elementary school education and are generally over 45 years old, and the turnover rate of nursing staff in some private nursing homes is as high as 80%.

### ***2.7 Lack of Fund Regulation***

The most central issue in the current administration of long-term care insurance is how to achieve effective supervision and auditing. In particular, how to regulate and audit the high growth in the number of people receiving long-term care insurance benefits and the cost. In Guangzhou, the document on long-term care insurance explicitly includes a regulatory component in the management of the agreement, but in terms of effectiveness, it is rather limited. In the case of Guangzhou, the medical insurance agency has limited management capacity and is not able to do anything about regulating long-term care insurance in the context of the increasing volume and complexity of management services.

## **3. Suggestions for Future Development**

### ***3.1 Raise Awareness.***

Firmly establish the people-centered development concept, deeply understand the importance of special hardship support work, focus on protecting and improving people's livelihood, weave a tightly knitted safety net for people's livelihood, and effectively safeguard the basic rights and interests of special hardship cases.

### ***3.2 Strengthen the Coordination.***

The civil affairs department of each district should coordinate the resources of social assistance, welfare, and other professional institutions in each district, make sure doing a good job of working together and guide the people's governments of towns (street offices) and village (neighborhood) committees to ensure that the work is carried out in practice.

### ***3.3 Adjustment of Funding Mechanism***

In order to better motivate the participants to continuously take the initiative to participate in the insurance, the incentive mechanism for participation is introduced according to its own reality. At the same time, the government should take into account the unsustainability of the health insurance fund allocation model and their own economic development level based on the sustainability of the system, so they can explore multiple funding models.

### ***3.4 Improve Treatment Policy***

Combine life care and medical care, and expand coverage appropriately. Disabled seniors need not only long and stable medical care but also continuous living care. At the same time, different care packages should be set up to refine medical care standards for the effective use of medical resources.

### ***3.5 Improve the Level of Service Management***

The civil affairs departments of each district should do a good job of policy publicity to ensure that the special hardship cases are aware of the policy, designate a person to implement the work, complete the assessment of the ability of the special hardship cases to live on their own and the agreement on diaspora support in a timely manner, sign the home care service agreement with the special hardship cases in the diaspora, and report the work to the Municipal Civil Affairs Bureau (Social Assistance Division) on time. The government should adopt fixed-point access and agreement management model to standardize care services. The designated nursing service providers involved in long-term care need to sign agreements with the medical insurance office on the basis of meeting the qualification requirements, determine their respective scope of responsibilities, and provide nursing services under the prescribed service standards. At the same time, the professional nursing talent teams need improvement. The government should encourage more insurance companies to adopt the combined medical and health care model to develop the eldercare industry and add new nursing-related jobs while paying special attention to the induction of nursing training for low-income people to achieve poverty alleviation through employment. At the same time, the whole process of nursing care services should be integrated into the information system, and the designated nursing care service providers should make a good connection and data exchange with the information system of long-term care insurance, update the information of nursing care services in a timely manner, and strengthen the standardized process and the process supervision of nursing care services.

### ***3.6 Carry out Twinning Support.***

The civil affairs department of each district should guide the people's government of towns (street office), village (residence) committee party members, and officials to pair up with the disabled and semi-disabled special hardship people living at home, publicize the list of pairing support in the village, make sure of the daily visits, assist in solving daily life problems, and ensure that the disabled and semi-disabled special hardship people have someone to contact.

### ***3.7 Consider Supporting Articulation Party in Design***

Ensure better coordination and cooperation between the systems of various departments. The protection of the disabled elderly involves civil affairs, human resources and social security, medical insurance, health care commission and other departments, so it is necessary to strengthen the communication and connection of various departments to avoid "duplicate protection" and achieve policy synergy. Institutions should focus on the relationship between institutional care, community care and home care, improve the quality of home care, improve the construction of community care and strengthen the capacity of institutional care. At the same time, they should focus on the construction of professional nursing teams and strengthen the innovative design of nursing care products. In the construction of multi-level protection, we should learn from the experience of the construction of multi-level medical security system and establish a multi-level nursing care protection system with long-term nursing care insurance as the main body and nursing care assistance as the bottom. The commercial nursing care insurance, charitable donations and mutual aid, and all participating bodies should cooperate and work together for the construction of elderly disability protection and contribute to the construction of elderly disability insurance.

### ***3.8 Pay Attention to the Management of Handling***

To handle the relationship between the government and the market, the government's role should be responsible for policy formulation, purchase of specialized services, and implementation of supervision. The government needs to pay attention to the accurate calculation of the cost of handling business, establish a reasonable risk mechanism for overcompensation, and clarify the sources and standards of expenditure for handling service fees<sup>[5]</sup>. The role of the main market operators is to provide services, self-regulation, and so on. Each body should strictly grasp its own role and realize the efficiency of long-term care insurance administration through a good and reasonable "government-business relationship." In addition, all aspects of long-term care need to pay attention to information technology and avoid over-development of systems in order to achieve the goal of improving the efficiency of protection.

#### 4. Summary

With the increasing aging degree, the increasing number of disabled and semi-disabled elderly people makes long-term care for the elders a socialized risk that cannot be ignored. Long-term care for the elders is not only a system that consumes social resources but also an industry that can promote social and economic development. The core issue of its development is how to adhere to sustainable development. As the government attaches importance to the development of long-term care security for the elderly, the long-term care service system and long-term care security policy for the elders are being strengthened and improved. Therefore, it is necessary to adhere to the scientific concept of development with sustainable development as the core so that the long-term care system for the elders can maintain long-term and efficient operation in order to cope with the upcoming peak of aging in the future.

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