Long-term Care Insurance Policy Implementation in the Context of Aging: Theoretical Framework and Practical Paths

—Take the First Batch of Pilot Cities in China as an Example

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Abstract: Under the background of aging and childlessness, the number of disabled elderly people in China continues to rise and the introduction of long-term care insurance (LTCI) has provided significant relief to many disabled elderly individuals and their families, effectively alleviating the pressure of taking care of the elderly. As the pilot program expands across China, the current status of policy implementation in the first batch of pilot cities needs to be summarized in order to facilitate further policy improvement. This paper embraces the theoretical framework of policy implementation, dividing the process into three distinct yet interconnected stages: preparation stage, implementation stage, and summarization stage. This paper analyzes the current situation of policy implementation and typical practices in the first batch of pilot cities. The study summarizes innovations and shortcomings in areas such as policy promotion, service provision, benefit distribution, and performance evaluation, and offers policy recommendations, including improving policy promotion, expanding funding channels, and establishing evaluation systems.

Keywords: policy implementation, practice, pilot cities, long term care insurance.

1. Introduction

China has been an aging society since 2000. In recent years, the degree of ageing in China has intensified, with the country expected to enter a phase of severe aging around 2035[1]. The deepening of aging and the growing elderly population have led to an increase in the number of sick and disabled elderly individuals, further expanding the demand for health services and elderly care in China. Concurrently, trends such as declining birth rates, the prevalence of empty-nest families, and the isolation of nuclear families have dramatically increased the pressure on families to care for disabled elderly members, making it increasingly difficult for family members to meet the health and caregiving needs of the elderly. Therefore, specialized health and care services have become an urgent need for the whole society. Against this background, the long-term care insurance(LTCI) policy was born. In June 2016, the General Office of the Ministry of Human Resources and Social Security of the People's Republic of China issued *The Guiding Opinions on Piloting the Long-Term Care Insurance System*, 15 cities including Chengde City, Hebei Province, Changchun City, Jilin Province,

Qiqihar City, Heilongjiang Province, Shanghai City, Nantong City and Suzhou City, Jiangsu Province, Ningbo City, Zhejiang Province, Anqing City, Anhui Province, Shangrao City, Jiangxi Province, Qingdao City, Shandong Province, Jingmen City, Hubei Province, Guangzhou City, Guangdong Province, Chongqing City, Chengdu City, Sichuan Province and Shihezi City of the Xinjiang Production and Construction Corps have been selected to carry out the first pilot projects of the LTCI policy. The pilot program was later expanded for further policy implementation, and has so far benefited tens of millions of disabled elderly and their families.

Policy implementation is one of the critical stages in the life cycle of a policy, where policy ideals are transformed into reality, and policy goals are converted into benefits, with its effectiveness being crucial to the success or failure of public policy[2]. The first batch of pilot cities, as the front-runners in pilot implementation, have a typical leading role in policy implementation, which provides a model of ideas and an important reference for policy implementation in other cities. Therefore, at this crucial period of pilot expansion, it is necessary to summarize, reflect on, and discuss the current state of policy implementation in the first batch of pilot cities based on a scientific policy implementation analysis framework, with the aim of providing insights for improving policy outcomes and enhancing system efficiency.

2. Literature Review

Since the birth of the long-term care insurance policy, it has been a hot issue in the domestic and international academic circles. Scholars from different disciplines, such as economics, social security and public health, have paid great attention to this policy, discussing the practice paths in various regions from diverse perspectives and offering suggestions for optimization. In the field of economics, studies have predominantly concentrated on the mobilization of funds and their use. For instance, McGarry and other scholars discuss private LTC insurance with inflation protection, examining its impact on reducing LTC expenditures and providing recommendations for market-based reforms[3]; ROTHGANG evaluates the German LTC insurance system from the perspective of financing and proposes future reform directions and countermeasures[4]. In the field of social security and insurance research, domestic and foreign research perspective are diverse. For example, Chen Fei and other scholars explored the impact of long-term care insurance on common prosperity from the two dimensions of "income enhancement" and "distribution", and found that it had a positive effect on increasing household income in the pilot area[5]; Yu Yangyang and other scholars demonstrated the role of LTC insurance in the supply-side reform of elderly care services based on data from 1,152 nursing homes in a pilot city of LTC insurance[6]; Using the Survey of Health, Aging and Retirement in Europe (SHARE) database, Courbage and other scholars examined the determinants of demand for LTC insurance on the French market[7]. In the field of public health, health issues are a greater research concern for scholars. For example, Moon S and other scholars found that long-term care services can reduce the risk of suicide in elderly with dementia and effectively maintain the mental health of older adults[8]; Choi and Joung's study found that after the implementation of LTC insurance care services in Korea, the risk of death among individuals receiving LTC services was significantly reduced[9]. There are also a limited number of studies on LTC insurance policies from a policy perspectives, most of which focus on policy evaluation. For example, Cai Weixian and other scholars used the DID method to evaluate the policy effects of the first pilot cities of long term care insurance and found the effects of long term care insurance on residents' care choices and intergenerational family support[10].

Overall, it appears that both domestic and international studies have examined LTCI policies through a wide array of perspectives, capturing their roles across multiple dimensions. However, there is a noticeable gap in the literature concerning the examination of the LTCI system from a public policy perspective, particularly with respect to the policy implementation stage. This gap may be

attributed to the relatively recent development of the LTCI system, regional differences in system design, and other factors. Nevertheless, as the policy evolves and the demonstrative significance of the first batch of pilot cities becomes increasingly evident, a comprehensive summary of the current policy implementation is necessary, which in turn provides the space for this study.

3. Theoretical Foundation

In academia, policy implementation research is a research hotspot focused by scholars, and numerous classical policy implementation models have been proposed, such as Smith's policy implementation process model[11], Sabatier and Mazmanian's comprehensive model of policy implementation, etc[12]. Scholars have discussed the factors affecting policy implementation from different perspectives, embedding the impact of different factors on the various stages of policy implementation while studying the process of policy implementation, ultimately resulting in these models of policy implementation with different perspectives.

Since the research purpose of this paper is not to discuss the factors affecting policy implementation, but to summarize the current policy practice situation on the basis of scientifically dividing the stages of policy implementation, in terms of the theoretical foundation, these classical models of policy implementation have certain limitations in explaining the research problem of this paper. Therefore, considering the research objective of this paper and China's specific context, this paper adopts the policy implementation theory of Professor Chen Qingyun from the School of Government at Peking University as its analytical framework.

According to Prof. Chen Qingyun, policy implementation involves a set of basic procedures or a series of functional activities. The process of policy implementation consists of three stages: the first is the preparatory stage of policy implementation, the second is the implementation stage of policy implementation, and the third is the summarization stage of policy implementation[13]. This tripartite framework provides a structured approach to understanding and analyzing the policy implementation in the context of this study. The paper will adopt this theory as the research framework, starting from the three phases of preparation, implementation and summarization, summarizing and sorting out the typical practices of the first batch of pilot cities of LTCI under the three stages, summarizing the current status of policy implementation in these cities and pointing out the realistic dilemmas. The schematic is shown in Figure 1.
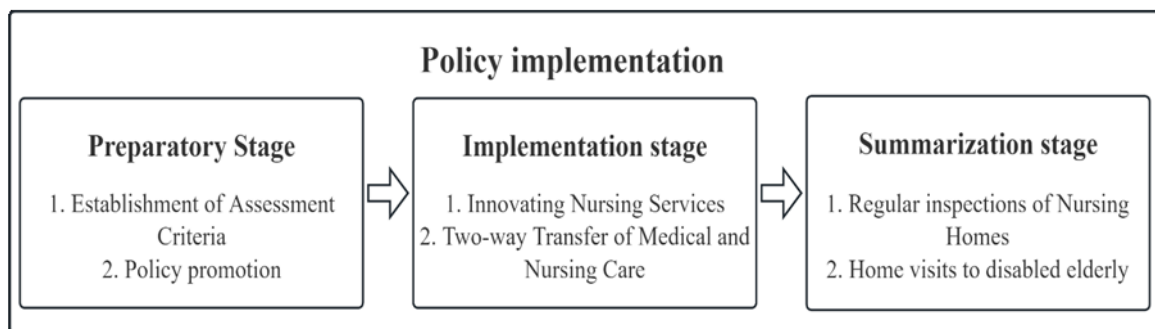

Figure 1: Schematic diagram of the analytical framework of this paper.

4. Status of Policy Implementation in the First Batch of Long-term Care Insurance Pilot Cities in China

4.1. Preparatory Stage

The preparatory stage of policy implementation encompasses activities such as policy advocacy, increasing policy awareness, and making organizational preparations etc. In terms of organizational preparation, the Healthcare Security Administration and Human Resources and Social Security Administration of Suzhou City, Jiangsu Province, collaborated with Soochow University by procuring intellectual services from the university. Utilizing a shared platform, they developed assessment criteria for LTC insurance tailored to the specific needs of Suzhou by analyzing the Barthel Index and practical evaluations of over 1,500 cases. This approach enhanced the relevance and practicality of incapacity assessments[14].

Regarding policy publicity, the first batch of pilot cities employed a variety of online and offline methods to promote the policy. Offline, grassroots public officials, in collaboration with workers from nursing homes, engaged directly with residential communities and integrated elderly service centers. They conducted information sessions, distributed leaflets, and held discussions and Q&A sessions to explain the policy. In cities like Shangrao, Jiangxi Province, nursing home staff also provided on-site services such as haircuts and measurements of blood sugar and blood pressure, which significantly increased the attractiveness of these activities. Additionally, the use of internet and media technology played a crucial role in promoting the policy. Online, the LTCI policy was disseminated through microblogs, WeChat, and short video platforms, effectively raising public awareness and understanding of the policy.

However, despite these efforts, the effectiveness of LTCI policy promotion remains limited due to factors such as the audience's cognitive abilities, available resources, and manpower. In Shanghai, for instance, there are still many disabled elderly individuals who, despite objectively needing LTC services, actively resist them. Moreover, even among those who have already received LTC insurance services, there is still a lack of understanding regarding the distinction between LTC insurance and home-based elderly care services[15]. This cognitive bias is both a result of poor policy publicity and a further obstacle to policy implementation.

4.2. Implementation Stage

The implementation stage of policy implementation is the direct link to realizing the policy objectives and reaching the established plan. During this stage, the policy is fully implemented and promoted, and many advanced demonstrations and typical shortcomings are revealed in the process.

In the service process, Chengdu City in Sichuan Province, Ningbo City in Zhejiang Province, Jingmen City in Hubei Province and other cities have actively innovated their nursing service programs, expanding the content of their services on the basis of guaranteeing daily living care and common clinical care for the elderly, and providing skills training for the elderly and their families, including risk prevention, fall prevention, and training in self-care, and adding services of humanistic care based on hospice and psychological comfort to provide the elderly with health care that goes beyond disease care. In particular, the hospice service accepts death in a new way with the core concept of respecting life, so that the deceased may experience a dignified passing, which not only embodies the 'elderly care' ethos promoted by the LTCI system, but also bridges the gap in 'end-of-life care' that has previously been overlooked [16].

In Suzhou City, many nursing facilities are equipped with treatment rooms, pharmacies, and medical staff, enabling them to provide basic healthcare services. However, these facilities are often not equipped to meet the needs of more advanced medical care.

To address this limitation, some nursing homes have established agreements with several high-level hospitals, facilitating a two-way transfer mechanism to meet the varying medical needs of the elderly at different stages of illness. Under this mechanism, when the patient's condition is serious, he or she will be transferred to a high-level hospital for specialized treatment. Once their condition stabilizes, patients are transferred back to the nursing homes for ongoing care. Such a two-way transfer mechanism maximizes the core functions of the nursing and medical institutions, effectively leveraging their complementary strengths. This process is illustrated in Figure 2. Furthermore, in response to changes in the degree of incapacity among the elderly, nursing homes collaborate with relevant departments and specialized assessment agencies. These agencies evaluate the physical condition of the elderly to adjust their care service entitlements in a timely manner, ensuring that the care provided aligns with their actual needs[17].
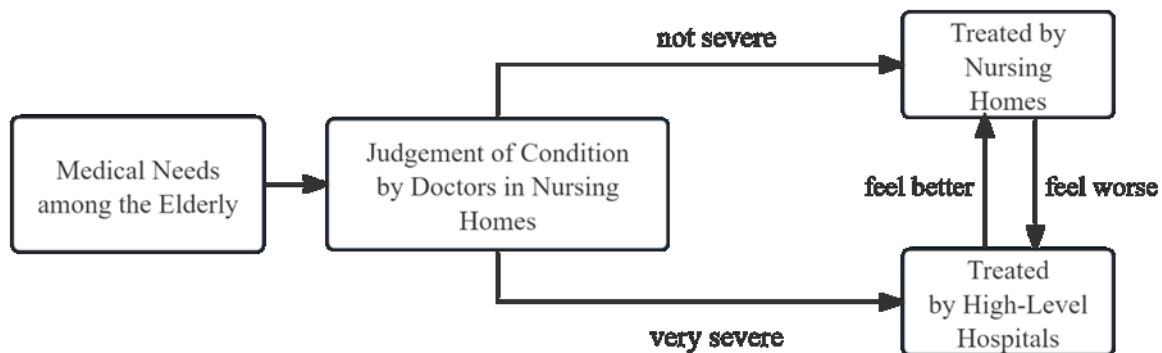

Figure 2: Schematic diagram of the two-way transfer mechanism for hospitals and nursing homes.

The low level of benefits is a common problem in the first pilot cities. In the case of home care, for example, in Anqing City, Anhui Province, the daily rate of home care for the moderately disabled is 10 yuan per person, and 15 yuan for the severely disabled; while in the relatively developed city of Chongqing, the daily rate of home care is only 40 yuan per person. In a modern society where the cost of living is rising, it is difficult for such treatment to truly alleviate the pressure on the families of disabled and demented elderly people with high care needs and to accurately meet their service needs. The varying levels of economic development and financial affordability of cities are important reasons for this.

4.3. Summarization Stage

The summary of policy implementation includes performance evaluation and tracking of decision-making. The implementation of performance evaluation was particularly prominent in the implementation of policies in the first pilot cities.

In Chengdu, Sichuan Province, staff from the local Healthcare Security Administration and LTC nursing homes effectively conducted follow-up visits to elderly people and their families who are covered by the LTC insurance through various forms of research and visits. Members of the follow-up working group regularly inquired about the health status and personal needs of the disabled elderly through telephone conversations, taking advantage of instant communication to address issues promptly. In order to gain an in-depth understanding of the living environment of the elderly and the quality of services, the relevant departments also organized offline visits and regular inspections of designated nursing homes, while at the same time conducting home visits for the elderly receiving home care. This comprehensive approach to follow-up visits generated a substantial amount of real data, providing relevant departments with first-hand information crucial for performance evaluation and feedback.

While follow-up visits are an effective means of evaluating the performance of LTCI, relying solely on these visits is insufficient for a thorough performance assessment. The heavy burden of conducting follow-up visits, coupled with the absence of a scientifically grounded monitoring and evaluation system, can diminish the effectiveness of performance evaluations, making it challenging to achieve the objectives set for the summary stage of the policy implementation process.

5. Conclusions and Suggestions

5.1. Conclusions of the study

The study found that in the preparatory stage of policy implementation, Suzhou City in Jiangsu Province, Shangrao City in Jiangxi Province and other places effectively implemented organizational preparation and policy publicity, such as formulating long-term care insurance evaluation standards according to local conditions, and integrating elderly assistance services into policy publicity activities. However, there were also problems of limited policy publicity effect, and many elderly people had a large deviation in their cognition of long-term care insurance policies. In the implementation stage of policy implementation, Ningbo City in Zhejiang Province, Jingmen City in Hubei Province and other cities innovated nursing services, and established a two-way transfer mechanism to meet the medical and nursing needs of the elderly. At the same time, the first batch of pilot cities are generally facing the problem of low payment levels, making it difficult to effectively alleviate the economic pressure of the disabled elderly and their families. In the summary stage of policy implementation, Chengdu City in Sichuan Province and other cities focused on the implementation of performance evaluation, and collected a large amount of feedback data by combining online and offline return visits, but due to limited manpower and scientific evaluation tools, relying on return visits alone could not fully achieve the goals of the summary stage. Based on this, this paper puts forward targeted suggestions from the three stages of prepatory stage, implementation stage and summarization stage, and promotes the further improvement of long-term care insurance policy by strengthening policy publicity, expanding financing channels, and establishing an evaluation system.

5.2. Suggestions

In the preparatory stage of policy implementation, improving the methods of policy publicity is essential to enhance the effectiveness of long-term care insurance policy implementation. Propagandists should accurately identify the characteristics of the target audience and tailor their communication strategies accordingly. Since the elderly are the primary beneficiaries of the long-term care insurance policy, it is essential to ensure that information is conveyed accurately, using plain language to interpret policy content, and to conduct widespread outreach in communities, nursing homes, medical institutions, and other relevant settings. Additionally, training healthcare personnel and community workers on the policy's content is vital to strengthening the team of publicizers. Highlighting and publicizing typical cases of LTCI beneficiaries can further amplify the policy's impact, extending its reach and influence through the demonstrative power of successful cases.

During the implementation stage, addressing the widespread issue of low benefit levels requires expanding financing channels. Currently, the primary source of financing for LTCI is the healthcare security fund. With the increase in the number of disabled elderly people and their rising demand for care, the pressure on the health care fund will continue to intensify. To mitigate potential risks, LTCI must diversify its financing channels by establishing foundations, allocating welfare funds, introducing capital inputs, and implementing corresponding matching systems. These measures are essential to stabilize the source of funds, support the use of funds for LTCI and achieve policy

coupling. For families of elderly persons with severe difficulties, the relevant departments need to carry out targeted assessments and, where appropriate, dynamically share their individual financing portions to other financing channels to ensure that their benefit levels can be elevated simultaneously.

In the summarizing stage of policy implementation, enhancing the scientific supervision and evaluation system is key to improving performance evaluation and effectively summarizing feedback. Each region can develop a scientific and feasible performance evaluation index system tailored to its specific circumstances, drawing on the successful experience of other cities and adapting this experience to local conditions. This will enable a quantitative assessment of the effectiveness of local policy implementation from multiple dimensions. In addition, in this summarization stage, the power of regulation should also be emphasized, with efforts made to increase transparency and public satisfaction through public participation. Incorporating public opinion into the performance evaluation framework will effectively strengthen the policy's impact and ensure its continued relevance and efficacy.

This paper embraces the theoretical framework of policy implementation, dividing the process into three stages: preparation stage, implementation stage and summarization stage. The paper sorts out the current situation of policy implementation of the first batch of pilot cities of long-term care insurance in China, summarizing the successful experience and existing problems in each stage, providing reference for other cities or regions in the policy implementation of long-term care insurance and suggestions for further improving the long-term care insurance policy.

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