Long Term Care in China
Emerging Issues and Challenges in Policy Making

Zhanlian Feng, PhD

Research Triangle Institute

Vincent Mor, Ph.D.

Department of Health Services, Policy & Practice &

Center for Gerontology and Health Care Research

Brown University

September 7, 2012

Acknowledgements

- Team:
  - Vincent Mor (Brown University)
  - Zhanlian Feng (Research Triangle Institute & Brown University)
  - Heying Jenny Zhan (Georgia State University)
  - Xiaotian Feng (Nanjing University, Nanjing, China)
  - Xinping Guan (Nankai University, Tianjin, China)
- Assistance:
  - Chang Liu (Brown University)
  - Officials of China's central (Ministry of Civil Affairs) & local (Tianjin Municipal Bureau of Civil Affairs) governments

Overview

- Aging and elder care in China
- Rise of formal long-term care (LTC) services
- LTC policy making
- Regulatory structure and process

China's Population Aging Rapidly
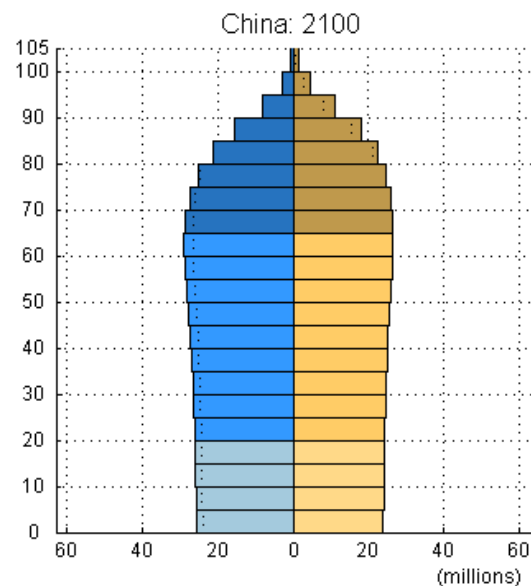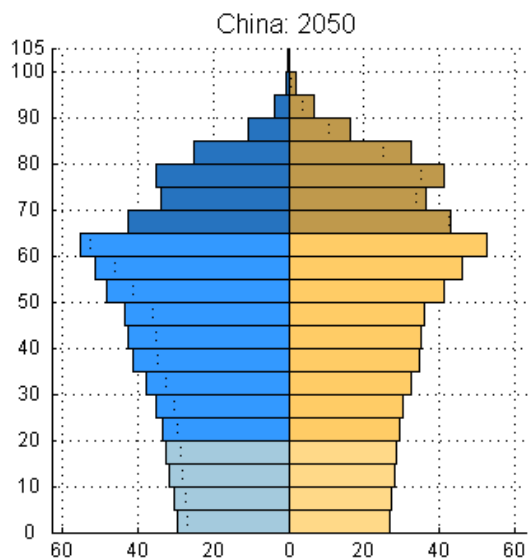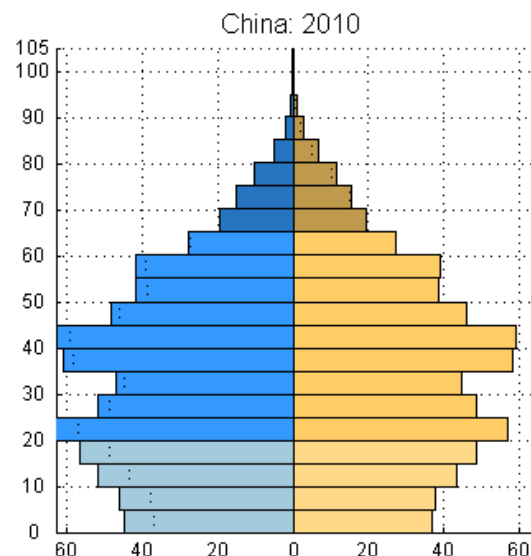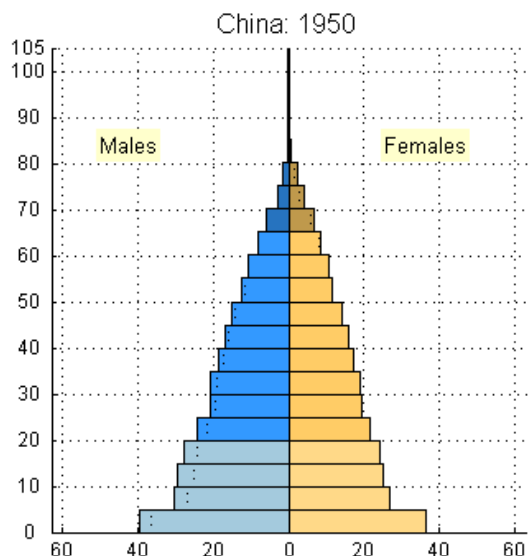
Note: The dotted line indicates the excess male or female population in certain age groups. Age groups are in millions.

Source: United Nations, Department of Economic and Social Affairs, Population Division (2011): World Population Prospects: The 2010 Revision. New York.

Median Age of Population: China & US
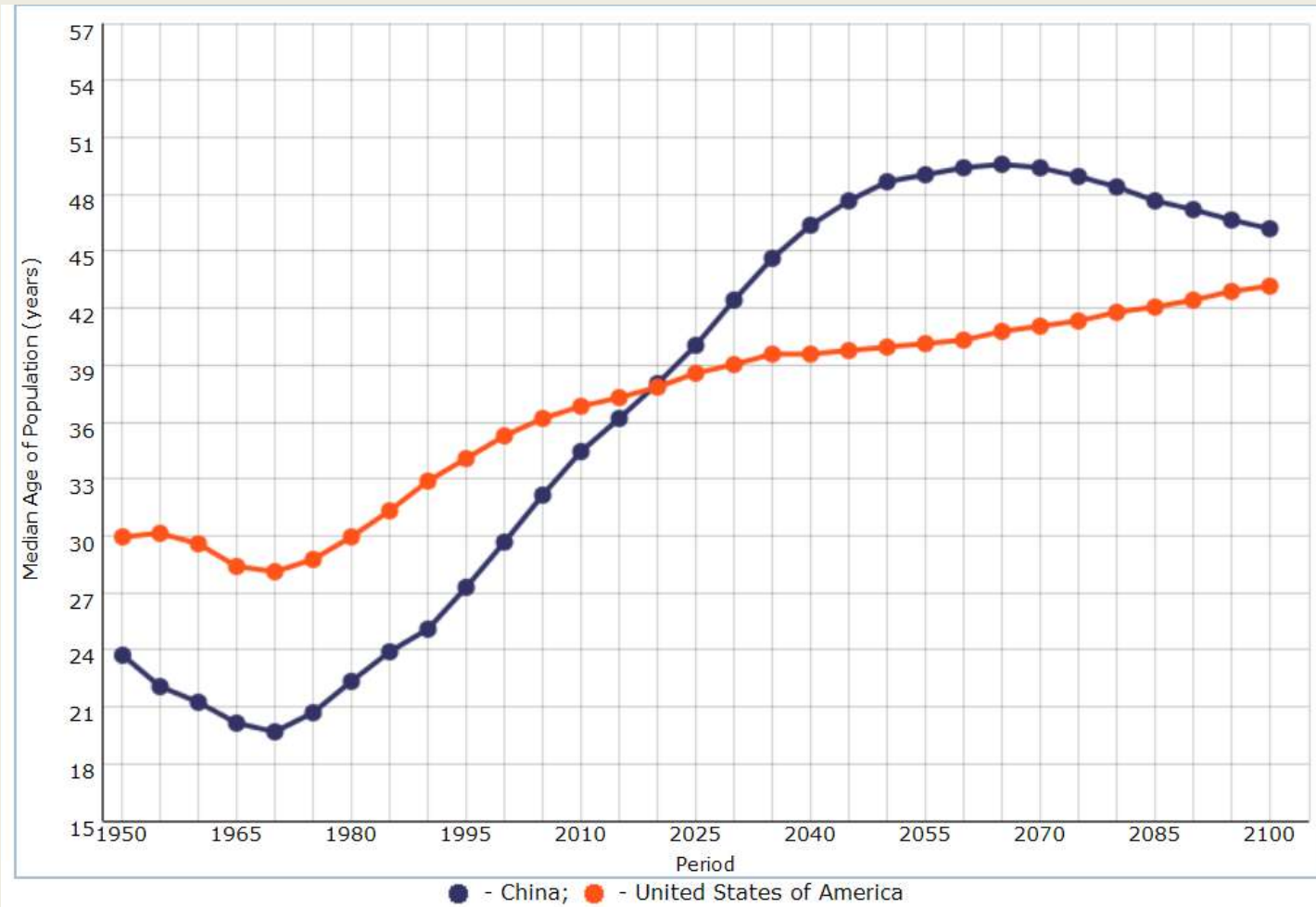
Note: The Median Age is the age that divides the population in two parts of equal size, that is, there are as many persons with ages above the median as there are with ages below the median.
Source: United Nations, Department of Economic and Social Affairs, Population Division (2011): World Population Prospects: The 2010 Revision. New York.

An Accelerated Demographic Transition

- The aging Tsunami
  - Rapid Fertility drop; inceased survival
- Exacerbated by 30+ years of one-child policy
- Rapid socioeconomic changes:
  - Industrialization
  - Urbanization
  - Migration/population mobility
- Escalating LTC needs PLUS fewer caregivers

Filial Piety and Familism: Chinese Cultural Mandates

Filial Piety

Family

In Japan, dutifulness is extolled in many forms. The bronze statue shows a son carrying his aged mother and climbing stone steps at a shrine.

Source: http://en.wikipedia.org/wiki/Filial_piety.

A portrait of Confucius (551–479 BC), by the Tang Dynasty artist Wu Daozi (680–740).

Source: http://en.wikipedia.org/wiki/Confucius.

Chinese character for "family" or "household", in different forms.

Source: http://baike.baidu.com/view/11023.htm.

Elder Care in China: Today

- Family still going strong BUT increasingly strained
- Adult children less available (if not so much unwilling) as caregivers
- Filial piety: An evolving concept
- Independence and autonomy generally preferred by old & young
- Shifting attitudes toward institutional care
- Rising prosperity + new care options

China's Evolving LTC Landscape (1)

- Formal LTC services a new phenomenon
- Historically, few LTC facilities existed (1950s–1980s):
  - Serving childless elders & depndent children and adults without families
  - Financed & run exclusively by the government
- Welfare reform (since 1990's):
  - Retreat of the state
  - Cuts in government funding
  - Decentralization & privatization
- Shift to multi-level, multi-ownership institutions

China's Evolving LTC Landscape (2)

	2005	2009	2011	Rural (Est.) [a]
Residential care facilities	39,546	~40,000	~40,000	75%
Total beds	~1.5m	2.66m	3.15m	60%
Total residents	--	2.1m	--	--
Institutionalized among 65+ (est.)	--	--	1.5-2.0%	--

[a] Virtually all rural homes for the aged are financed and run by local governments. Private sector facilities are largely concentrated in urban areas.
Sources: State Council Information Office (2006); Zhang (2011).

- More growth expected during the 12th Five-Year Plan (2011-2015) period:
  - Additional 3.42m beds to be built
  - Total 6.6 million beds targeted by 2015 (equivalent to ~30 beds per 1,000 elders—up from ~18 beds per 1,000 elders now)

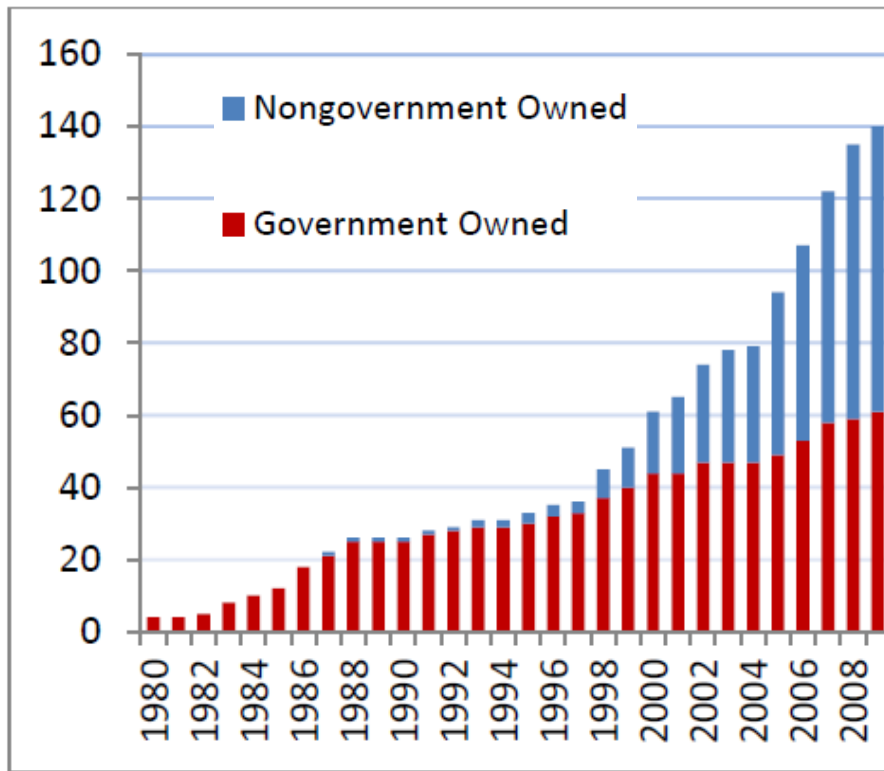# Rapid Growth of LTC Facilities (Selected Cities)
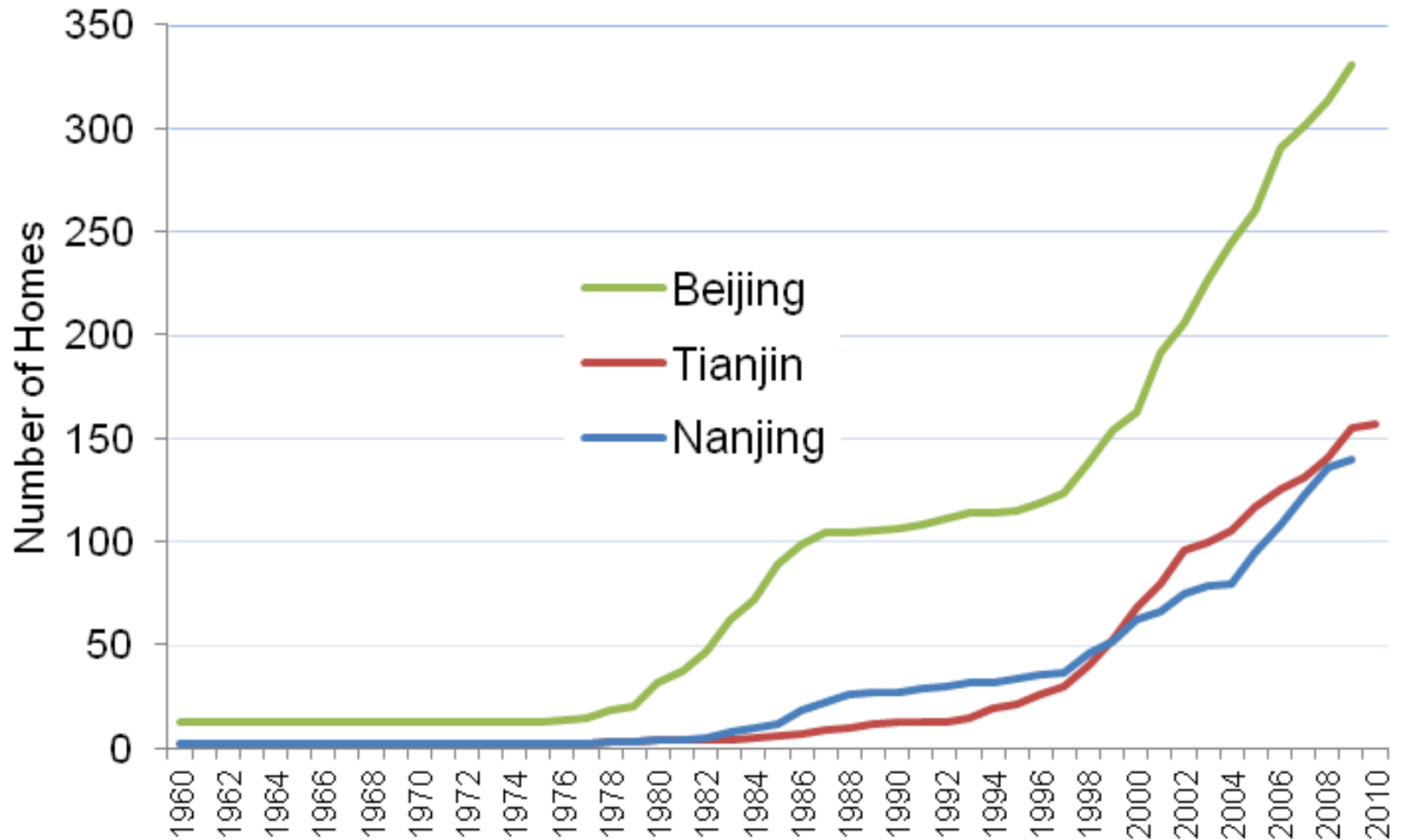
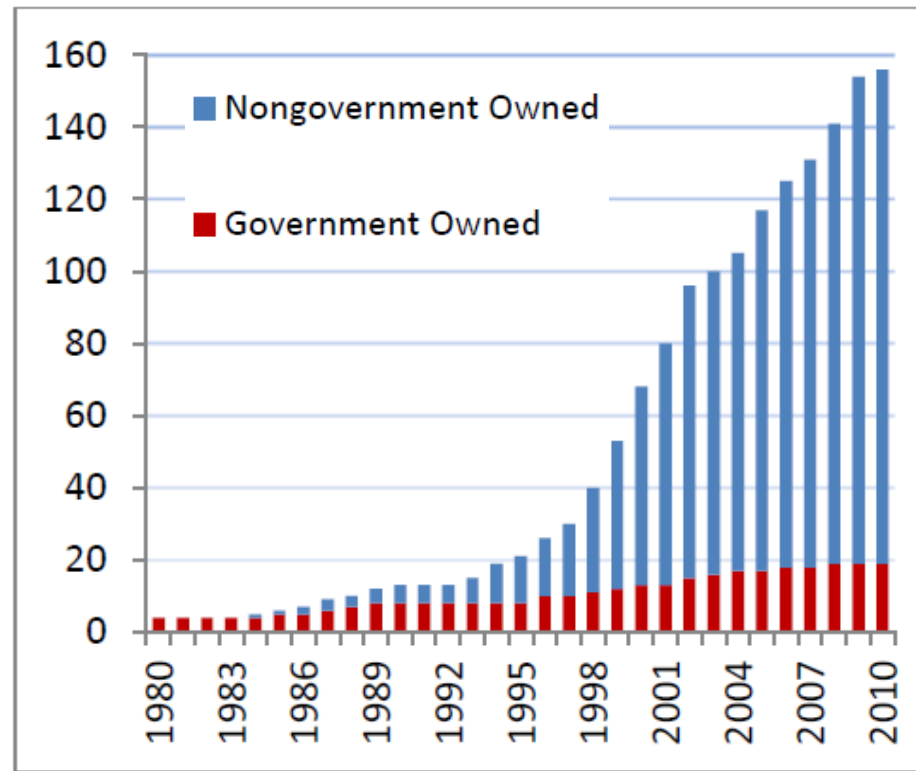Source: Feng et al. (2011).

Recent Growth Dominated in the Private Sector

Source: Feng et al. (2011).

A Highly Varied Mix of Facilities (e.g. 1)

Government facility: A rural township Home for the Aged: Dilapidated; much like a poorhouse; home for the childless; neglected and forgotten.

Source: http://www.ministryoftofu.com/2011/12/photos-chinese-nursing-home-in-desolation-and-oblivion/ .

A Highly Varied Mix of Facilities (e.g. 2)

(Photos: Z. Feng)

Government facility: Tianjin Municipal Home for the Aged. Over 1,000 people on waiting list for admission; highly subsidized; well funded & staffed.

A Highly Varied Mix of Facilities (e.g. 3)

Location: A rundown neighborhood in Tianjin.

(Photos: Z. Feng)

Private facility: A "mom and pop" home; board and care; ~20 residents (all low-income elders, most with children).

A Highly Varied Mix of Facilities (e.g. 4)

Location: Beijing   (Photos: Z. Feng)

Private facility: Brand-new and modern; high-end retirement community; first-class amenities, nursing & medical services; Australian care model.

LTC Policy Engineering (1)

- China National Committee on Aging (est. 1999): Now includes 28 Ministry-level government agencies

- Major national policy directives—**Community-based** services:

    - *Opinions on Promoting Urban Community Construction Nationwide* (Ministry of Civil Affairs, 2000)

    - *Opinions on Strengthening and Improving Community Services* (State Council, 2006)

    - *"Starlight Program"* (2001-2004): 13.4 billion *yuan* spent

    - NONE of these policies were self-sustaining or had a lasting impact!

(Photo: Z. Feng)

LTC Policy Engineering (2)

- Major national policy directives—building **institution-based** services:

  - *Opinions on Accelerating Socialized Welfare Services* (Ministry of Civil Affairs 2000)

  - *Opinions on Supporting Non-government Entities in the Development of Social Welfare Institutions* (Ministry of Civil Affairs 2005)

  - *Opinions on Accelerating the Development of Social Services for the Aged* (China National Committee on Aging 2006)

- A dual system of institutional elder care:

  1. Public sector: Government invested, owned & managed; must take in welfare recipients

  2. Private sector: Market driven, privately owned & run

LTC Policy Engineering (3)

- Private-sector growth actively encouraged by the government to address bed shortage

    "…our strategic judgment is that we should <u>focus on expanding the total volume of supply. This is what's needed the most right now. The core approach to achieving this is via encouraging the entry of private-sector capitals</u>…There used to be no rules regarding entry, because in the past all facilities were state run welfare institutions. <u>For private capital seeking entry into this sector, the bar should not be set too high now, that is, there should not be too many hurdles for entry.</u>"

    (Interviews with official of the Ministry of Civil Affairs, 2011)

LTC Policy Engineering (4)

- Repositioning the government's role: From "supplier/provider" to "purchaser/regulator"

"From a macro, strategic perspective, we ought to encourage *guó tuì mín jìn*, that is, 'retreat of state functions and advancement of civil society engagement'. Our core principle is that we shall not become the direct supplier of aged care services, but rather, become the purchaser and regulator. The government should not directly build and manage such services. History has already proved this is a mode that is of low efficiency and wasteful."

(Interviews with official of the Ministry of Civil Affairs, 2011)

Regulatory Oversight: Central Government Level

- Nationally, only minimal regulatory standards exist, expressed in three policy documents:
  1. *Code for Design of Buildings for Elderly Persons* (effective 1999)
  2. *Basic Standards for Social Welfare Institutions for the Elderly* (effective 2001)
  3. *National Occupational Standards for Old-Age Care Workers* (effective 2002)
- NONE address quality of care

Regulatory Oversight: Challenges for Local Implementation

- Local authorities follow national policy directives/guidelines BUT implementation & specific policies vary greatly

- Depends on local conditions, needs, availability of resources, and personnel

- What's dictated on the top may not be followed at lower levels

Competition and Non-Cooperation between Ministries

- Ministry of Civil Affairs and Ministry of Health operate in Separate Domains

- However, many "acute" hospitals run by the Ministry of Health house long stay patients who no longer have a community home; no cooperation between Ministries

- In some cities health insurance pays hospital stays; don't pay for Care Homes

Enforcement of Regulatory Rules far from Rigorous (e.g. 1)

- Lack of capacity—a major barrier:

"The problem is that right now, a regulatory system, from the Ministry of Civil Affairs down to localities, has not yet been established. Suppose an elder care facility violates certain rules, it should be penalized according to provisions in the regulation. But, with inadequate enforcement personnel how can you execute those penalties? In the end, although the regulations and laws are all well said, their implementation is an issue."

(Interviews with official of the Tianjin Municipal Bureau of Civil Affairs, 2011)

Enforcement of Regulatory Rules far from Rigorous (e.g. 2)

- Compliance with building/safety code is an issue:

"So, for these rented facilities the foremost concern is safety, particularly fire safety. Because the house was initially built not for elderly people, it doesn't conform to the *Code for Design of Buildings for Elderly Persons*. But this is the reality. If you don't renovate and use old buildings but rather build new ones, fewer new beds will be added…There is a big deficit [of beds]. There is a shortage of space. And now, the control over land use is very tight."

(Interviews with official of the Tianjin Municipal Bureau of Civil Affairs, 2011)

The Tension between Conflicting Policy Goals (e.g. 1)

- The zeal for growth always trumps regulation on the policy agenda

  "Generally speaking, this whole system of elder care, from facility construction and operation to the provision of services and regulation, is still at its early stage of development. As of now, development is the most urgent need, and management and regulation are not the focus yet. It is always said that development should go hand in hand with regulation, but now the issue of development is more important."

  (Interviews with official of the Tianjin Municipal Bureau of Civil Affairs, 2011)

The Tension between Conflicting Policy Goals (e.g. 2)

- Issues about land leasing/allotment:

    "There are policy documents issued by the central government which stipulate favorable treatment in land allotment for non-profit elder care facilities, but in reality it's not done. For local government, the amount of GDP to be produced from every piece of its land has been carefully calculated. So a piece of land that is given away means a loss of GDP to the government."

    (Interviews with official of the Tianjin Municipal Bureau of Civil Affairs, 2011)

Rising Scandals

Regardless, in Years to Come, More Elderly Chinese will Find Nursing Homes their New "Home"…

A nursing home in Wenling city, Zhejiang province. More than one-tenth of the Chinese population is now aged 60 or older. Jiang Yongbing / For *China Daily* (12/5/11).

THANK YOU