

Long-term care insurance may become mandatory

As part of the national effort to defuse a demographic “time-bomb”, China is very likely to introduce compulsory long-term care insurance to cope with ever-increasing care needs, particularly for the elderly who have a difficult time living independently due to age, illness or disability, said a national political advisor.

Hu Xiaoyi, former vice-minister of human resources and social security and a member of the National Committee of the Chinese People’s Political Consultative Conference, made the remarks on the sidelines of the ongoing two sessions.

China has an increasingly aging population coupled with surging chronic diseases, and “it’s the right time to introduce such a new social insurance program as a pre-emptive approach”, said Hu, now head of the China Social Insurance Association.

China has 150 million people aged 65 and older, with at least 40 million of them partially and fully disabled.

To leave such elderly people fully dependent on their children for long-term care is, in Hu’s opinion, unrealistic.

“It has become a universal social problem facing all families and thus should be addressed with a package of resources including the individual family, the government and the entire society, or the social insurance,” he noted.

Currently, China has five social insurance programs – elderly care, health, unemployment, work injury and maternity. They are run by the government and premiums are paid by the individual and the employer on a compulsory basis.

Hu expected long-term care would be the sixth.

All families, whether or not in urgent need of care, should participate in the program to prepare for potential future challenges, he urged.

According to him, care under the program is more household-based and would sometimes require professional medical intervention.

Recipients should be categorized according to various levels of dependency, he added.

But he stressed that more testing and research are required to roll out the program nationwide.

“The trial run should start with disabled seniors,” he said.

Such trials also assist in setting standards and level of premiums, he added.

Hu suggested a family-based approach for premium collection rather than an individual basis.

Countries such as Germany, Japan and South Korea have pioneered setting up such social security programs, according to the World Health Organization.

Sun Jie, another CPPCC member, said the program had proved helpful in addressing the long-term care demands of the old who have disabilities.

Sun, also deputy director of the School of Insurance and Economics at the University of International Business and Economics in Beijing, added that some trials under way in China would provide experience for a future scale-up of the program nationwide.