

STUDY AND REVIEW OF POINTS AT ISSUE AND FOCAL POINTS IN  
THE PROCESS OF DEVELOPING AMENDMENTS TO THE CARE  
SERVICES INSURANCE LAW AS IMPLEMENTED IN THE YEAR 2000 IN  
A COMPARATIVE ANALYSIS OF HOW THE RELATIVE LAWS WERE  
ENACTED IN THE UNITED STATES, SUCH AS THE OLDER  
AMERICANS ACT, ITS AMENDMENTS, AND THE RELAVANT LAWS

Summarized English Version of Japanese Thesis

MARCH, 2003

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Remarks

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The Care Services Insurance Law which was implemented as of April, the year 2000 , has paved the way for a defined enhancement of the care services system for the elderly in Japan, designed to promote more self-sustainable livelihood in aging period of the elderly rather than traditionally oriented policy of focusing on" the less- well-to-do". The core of this system is to be made available as an universal system across the nation for the elderly who are needed for the level of care services which is determined by a team of assessments and the care plan will be developed by care mangers by which the required level of care services for the recipients will be made available accordingly. The implementation of this system has opened the door for private corporations to act as the providers of the care services under this system, which has benefited greatly for a dramatic increase of this system by the elderly.

It has been three years since the implementation of this system and the Ministry of Health, Labor and Welfare has embarked upon its task of further refinement of this system to meet the need of the further requirements for the regional and local governments who are held responsible to act as the administrating entity of this new system. The reviewing of the operation of this system in the past three years has brought about some revised changes including the rate of the premium of the insurance and the fees for the care services. The task of reviewing the current system is aimed at the further refinement and furtherance of this system to ensure the quality of care services system is to be in place as it had envisioned. Since this law(s) was enacted and implemented with conditional stipulations attached in the law(s) which made it mandatory to complete it's review of this system within five years, the task of reviewing procedures of this system has coped with many other issues and the further discussions and deliberations for the refinements of this system will continue to take place.

I believe it is not only appropriate but also significant that the authors of this thesis have undertaken to focus on the subjects of the aging and its related issues in the recent years facing both in the United States and Japan. It is also timely enough to publish this

thesis to be a part of efforts to make the Symposium and Panel Discussions to be productive, which will be held in the April of this year under the theme of "From the Global Perspective on the Aging Issues in the 21st Century; Comparative Views between Japan and the United States" to be participated by the high ranking officials of the governments both in Japan and United States and the noted scholars who are engaged in policy planning, implementation and executions of the various policies and measures.

In closing my remarks, I hope that this thesis may shed some lights on the importance of international collaborations to share the issues of social welfare and aging in the era of globalization.

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### Overview

On May 21, 1997, the motion for a proposed "care services insurance law(s)" was carried by a majority vote at the Committee of Health and Welfare of the House of Representatives of Japanese Diet, which was forwarded to the House of Councilors for further deliberations. On a de-facto basis, the proposed laws were to be approved by the House of Representatives, which has final power to enacts laws. The laws proposed for enactment, named "Care Services Insurance Laws," together with related laws, were enacted as laws with "conditional stipulations" attached, requiring further amendments after three years of implementation of these laws. Consequently, these laws were in place for implementation as of April 2000.

It is now time for the government to revise the original laws. Special focus must be placed on the following: (1) review of premiums needed to pay for the providers of care services, (2) issues relating to fees for care-plan managers, and (3) other fees which have been vocally raised for review to meet the satisfaction of those who render relative services for the elderly. The stipulations attached to the originally enacted laws called for completion of review of some of the issues and to amend the laws for new implementation as of April 2003. For the sake of this requirement for the amendment of the relative laws, the Ministerial Commission on Social and Welfare Policies has been assigned to discuss, review, deliberate, and recommend the policies as submitted by the officials of the Ministry of Health, Welfare and Labor. The Commission is responsible for recommendations and consideration of the policies after the members of the Commission have deliberated issues being presented to the Minister in charge.

On January 20, 2003, the sub-committee of the Ministerial Commission of Social and Welfare Policies held its 18<sup>th</sup> meetings to review the necessary changes to be made on certain matters as cited in the conditional stipulation attached to the original laws enacted in 1997. The primary responsibility of this sub-committee is to review the level of premium to be determined after a trial period of three years subsequent to the implementation of these laws. As will be outlined in a later chapter of this paper, the sub-committee has decided to recommend certain changes on the premium and other

matters with “expressed opinions and views of concerns” for the next process of reviewing the laws for amendments, which will be embarked on as of April 2003. The sub-committee’s aim is to complete the process of reviewing a number of issues pending settlement to make the laws entirely reasonable, acceptable and, above all, a satisfactory form to meet the needs of the elderly and those who are providing care services. Also under consideration is the responsibility of both national and regional governments, and the role that each entity should play as the government and people envisioned before the enactment of these laws was put in place.

In retrospective, Japan’s national long-term insurance scheme was enacted as the law, together with its relative laws, after much debate in both political circles and private sectors across the nation. There is a major concern, however, whether or not care services for the elderly under this scheme could be effectively and efficiently put in place with the necessary supporting infrastructure of facilities and availability of human resources to meet the standard that government of Japan envisioned. At the same time, in-home care services, which the government hopes to enhance by providing more ambitious programs, could be supported and sustained due to changes in demographic, economic, and social environments.

It may be appropriate to look back at the process of how the long-term care insurance scheme was developed to become the current law. The old Ministry of Health and Welfare was recently merged with the old Ministry of Labor as a result of governmental effort to restructure governmental function to be more efficient, and also for other reasons, such as “movements of de-centralization of national government functions and authorities vested.” The old Ministry of Health and Welfare initiated a report on January 31, 1996, through the Ministerial Commission on Social Welfare, which called for more realistic policies to be implemented to cope with the system required for providing care services for the elderly. At that time, most of the regional governments were not receptive to the proposed plan for the care services insurance scheme that the old Ministry of Health and Welfare had in mind. The reluctance to go along with the proposed scheme that the old Ministry of Health and Welfare tried to promote may force regional governments into a difficult situation. A burden would be placed on their shoulders for sharing the financial responsibility of the cost of building infrastructures such as care facilities for the elderly. Other reasons were cited as regional discrepancies existing among the rich and poor municipalities. The plan that the old Ministry of Health and Welfare took, then, is the position that the proposed care insurance scheme be defined as “a universal system,” and expressed its hope that under the proposed scheme there would be no disharmony regarding policies.

The Ministerial Commission on the program of welfare for the elderly submitted its recommendation (a mid-term report) to the Minister in 1996, which called for consideration of the implementation of eight points that should be incorporated in the process of developing the format for the enactment of a law covering the scheme for care services for the elderly under the proposed care insurance law(s). In January 2000, the Ministry of Health, Labor and Welfare made eight optional models of how the core points for the system should be implemented effectively, in consultation with regional governments and through the internal policy discussions at the Ministry. These points included: (1) reasons and vision needed for the enactment of the law(s), (2) objectiveness of the law(s), (3) how to take advantage of care services under the proposed care insurance law(s), (4) amount of premium for use of care service insurance to be determined, (5) need for infrastructural facilities to accommodate the elderly who need to be admitted to various types of care facilities, and (6) promotion of the various policies

in line with the Ministerial Special Policies and Plans for the Enactment and Implementation of Care Services Insurance Law(s) (it was announced in November 1999). Thus, the Ministry was paving the way for implementation of the law(s) in question as of April 1, 2000.

The review and discussions conducted by the Ministerial Commission on Social and Welfare Policy—and in particular the role that its sub-committee played at the meetings held 18 times before reaching a recommendation on the amount of fees to be paid to the providers of care services under the scheme—focused on more or less the fees in question as cited. No other issues were dealt with in depth but will be reviewed after April 2003. In essence, what is needed to be placed on the table for discussion and review are the following three important points: (1) level and category of those who are required to pay the premium, (2) requirement of infrastructural facilities providing care services for the elderly, and (3) amount of fees for care services to be covered under the scheme. These important points, however, were left for the next round of discussions, assessments, and reviews, which will be ultimately recommended as “TOSHIN” (the recommendation by the Ministerial Commission on Social and Welfare Policies of the Ministry of Health, Labor and Welfare) after the conclusion of the internal policies and planning works at the bureaucratic level of the Ministry.

It has been pointed out by many scholars, experts on the issues of the elderly, regional government officials, and some political leaders at the national level that unless appropriate measures are taken in making laws, Japan’s long term-care insurance scheme will lack the methodological approach to develop and form the basis for enactment of laws required to meet the needs of the elderly and those who are providing the care services. The nation is facing economic and social issues which are being reflected in the decline of major industries and businesses, which in turn is affecting the employment status of those who need to care for the elderly financially. Demographic changes are symbolized by a decline in the birth rate, and, additionally, there are many other issues that are affecting the wealth of the nation. Therefore, it is important that the leaders who guide the nation regarding the issue of aging must not be left in the hands of a few sectors. Political leadership with vision and accountable political programs is required.

From this point of view, it is interesting to have an in-depth reassessment from an historical perspective of the views, opinions, arguments, and recommendations on the issue of social and welfare policies. In particular, the issues of the aging society were voiced by many experts associated with aging and care services for the elderly before the law(s) was enacted in 1997. These experts tried to assess how the next round of discussions, assessments, reviews, and recommendations will be reflected on further amendments to the current law(s). What is needed is to establish a good and wise process of developing the basis for “the making of laws” which serves its purposes. In this sense, it is interesting to compare the process of making law(s) in Japan and in the United States, such as the Older Americans Act and its amendments. The writers shall attempt to enumerate a number of important changes which took place in the last three years after the implementation of Japan’s Care Services Insurance Law(s), particularly in the policies which have been implemented as a kind of administrative guideline and other forms of direction by the Ministry of Health, Labor and Welfare and, to some degree, by regional governments. It should be pointed out that the enacted law(s) and the prevailing regulations and code are in some cases so vague that interpreting the meaning of the law(s) can be a difficult task for the officials of regional governments concerning the current law(s) relating to Japan’s Care Services Insurance Law(s) and its

related laws and codes. As will be discussed in a later part of this chapter, the recommendations commissioned by the Ministerial Commission on Social and Welfare Policy which were submitted to the Minister in charge cited the need for clarification of the law(s), and even went further by citing, “The way the Commission conducts its deliberations on the issues needs to be looked into to see how it could be improved.” The writer’s hope is that this study will shed some light on how Japan’s Care Services Insurance Law(s) came into being, how it is going to be formed and enacted as an appropriate law(s) in its entirety as the conditional stipulations attached to the originally enacted law, and how further amendments will meet the law(s) intentions. The research was conducted from a multi-angle point of view.

I. HISTORICAL PERSPECTIVE OF HOW JAPAN’S CARE SERVICES INSURANCE LAW(S) WAS ENACTED, AND VIEWS, OPINIONS, ARGUMENTS, AND RECOMMENDATIONS VOICED BY LEADERSHIP IN VARIOUS SECTORS PRIOR TO IMPLEMENTATION OF THE LAW(S)

In 1996, Japan began to face many emerging economic issues and restructuring of the governmental system. Most of these issues were focused on quasi-governmental organizations which called for deregulation, privatizations, and other pressing matters. It was pointed out that the reluctant attitude of many major banks not coping with the matter of nonperforming assets was affecting the improvement of Japan’s economic and business situation.

The nation was faced with multiple issues and problems, and the budgetary outlook for the following years was predicted to be very pessimistic. In the area of social and welfare policy, the issue of how care services for the elderly could be solidified as a law required in-depth studies and discussions. These discussions were concerned with how the care services insurance system should be enacted as a law to be made available as a “universal national law” for the elderly in Japan. There were several issues which became focal points in the process of developing the basis for enactment of the law in question. One of these issues was to draw a clear line between what is to be regarded as more medically oriented care service and care services for the elderly which does not involve intensive medical treatment or medical treatments that are not really necessary. It was then pointed out that the elderly were seeking medical attention for what was regarded as “unnecessary” medical advice for their conditions. This situation aggravated the government’s universal medical system in terms of its financial basis, as many of the elderly were visiting medical institutions and hospitals. Some medical doctors and medical institutions took advantage of this situation, and unnecessary medical treatment and dispensing of pharmaceutical drugs were provided for the elderly. This situation began to destroy the universal medical insurance system, and it was unable to operate on a healthy financial basis.

Thus, one of the most important and urgent issues became the separation of medically oriented services and care services for the elderly. This would help improve the financial deterioration of the medical insurance system and would establish a newly planned care insurance system for the elderly under the a “co-sharing” scheme among the national government, regional governments, people who were to become future recipients of the care services when they reached the age of 65, and persons over 65 years of age who were already in need of care. The

scheme envisioned by the government and the political parties (the coalition parties) was a “co-sharing” scheme rather than a “tax-supported” system by the national government. Thus, the nation was divided on the issue of how a proposed care insurance system for the elderly could be developed and formed as a fundamental basis for the enactment of the law in question. In short, it was a question of a “tax” or an “insurance” scheme (co-sharing system).

For the purpose of understanding the prevailing opinions, arguments, criticism, and suggestions which had been voiced prior to the various stages of deliberation in developing the scheme for enactment of the law in question, both the Japanese Diet and public sectors participated by being for or against the proposed plan that the government had already drafted of the law in question.

It may be appropriate to recapitulate some of the important issues and points which were discussed in order understand how the national care services insurance scheme came to being as a law. The writer will attempt to show how the process of “making of a law” relates to the National Care Services Insurance Law that was finally enacted in April 2000. There were many conditional stipulations attached to the law which required further review of the law after a trial period of the first three years, and a second review of the law starting in 2003 with the aim of having the law in final form by 2006. Currently, the first round of review is underway, which must be completed by the end of March for its amendments to the current law to be in place. The amended law will be implemented as of April 2003. The writer thought it would also be appropriate to quote the remarks, views, and opinions of leading political leaders of the major parties who had voiced their opinions before the enactment of the law prior to the year 2000, and how their views may or may not have changed during the process of amending the current law. These views are cited again hereunder in the form of question-and-answer interviews conducted prior to the enactment of the law in April 2000.

The writer will then attempt to develop an historical perspective of how the review process has taken place, with some of the major points which likely would be reflected in the amendments to the current law, and how the final law could be constructed as the government had envisioned. This will attempt to show, in a comparative analysis, how the Older Americans Act was enacted through the numerous processes of passing amendments to the Act, the last of which was enacted in 2000. This comparative analysis may shed some light on how the making of a law is different in the United States and Japan and how it affects the historical development of social and welfare policy for the elderly.

- The fundamental system to be developed for a proposed care service insurance law that the government envisioned was a co-sharing insurance scheme, whereby the national government, regional governments, and the people would be responsible for sharing the cost of supporting the system. (In the case of Tokyo, the national government is responsible for 25%; the Tokyo metropolitan government is responsible for 12.5%; the local ward government is responsible for 12.5%; and the people are responsible for 50%, with those who range in age from 40 to 64 years paying 32% and those aged 65 and above paying 18%.) The government also took the position that a clear distinction should be made between medically oriented care and care services

for the elderly, so that unnecessary calls for a medical doctor's service could be reduced. The Hosokawa government attempted to introduce a 7% tax which was to be made available for the budgetary category of social and welfare policy, but it failed. When a coalition government of the Liberal Democratic Party and the Japan Democratic Socialist party formed a new government, Prime Minister Murayama decided to implement a 5% consumption tax (sales tax on commodities). A portion of the revenue from the consumption tax could be used for the social and welfare category in the budgetary policy, but the national revenue, particularly from incomes of working people, was predicted to be reduced.

- The government was forced to choose the scheme of the proposed care service insurance system in terms of the financial resources for supporting it either on a "tax" or "co-sharing" basis. The government and the parties in power formed a special committee, together with the Ministry of Health and Welfare, to study the pros and cons of the systems which had already been in place in Scandinavian nations and the Federal Republic of Germany, which introduced and implemented a new long-term care insurance. The Federal Republic of Germany choose a system of co-sharing based on political and economic reasons rather than how social policy should be. This was due to the fact that the newly emerged Federal Republic of Germany was preoccupied with numerous issues and problems which had to be resolved. These issues and problems were said to be the byproduct of the unification of West Germany and East Germany, which required enormous financial resources to build a new unified Germany.
- It was pointed out that if a co-sharing scheme was adopted as a basis for the proposed law, the amount of the insurance premium to be paid by the beneficiaries of the system may suffer greatly in the future due to unforeseeable economic and social changes that may occur. After conducting their studies, the majority of regional governments expressed their concerns that they would unlikely be able to meet the requirements that the national government had hoped for. Regional governments would establish and constitute the necessary structures needed to meet the level of The New Gold Plan, under which the care services insurance system was to be implemented by regional governments, which was going be the operating entities for the implementation of the care services insurance system as defined under the law(s). In fact, 70% of regional governments had stated that it would be impossible for the plans to be in place by 1999, at which time a trial period of the care insurance system was to be programmed as a selected test case in some regional areas.
- The reason for the difficulty in achieving such a goal cited above was expressed by regional governments on the account of the following facts: (1) the infrastructural arrangements for building the various types of facilities for the care services for the elderly could not have been completed, and (2) the availability of qualified professional persons such as care plan managers,

other professional caregivers, and other supporting staff was predicted to be difficult to achieve by the time set forth. Regional government officials in charge of the care services insurance system expressed that it would take at least a few years, and 2005 should be regarded as the year when such infrastructural arrangements could be properly in place to meet the policies and guideline that the Ministry of Health and Welfare had envired.

- Another major issue was how an assessment system for the elderly could be properly put in place to classify, define, and determine the level of care services required for the elderly who request services. Professional persons in the field of assessment procedure argued that it was too vague in terms of the definition between so-called “frail” and “care services required.” According to a prediction made by the Ministry of Health and Welfare in 1997, 7% of the elderly over the age of 65 would require some type of care services which were categorized either as bedridden or dementia conditions. The Ministry estimated that approximately 2 million persons could be diagnosed with dementia, and 1.9 million diagnosed as frail, by the year 2010.
- The issue of whether the proposed care service insurance scheme should be developed either on the form of “tax” or “insurance” scheme continued until the law(s) was enacted. Thus, it was apparent that the nation was divided on this particular issue. But the government did manage to get the bill through at the House of Representatives in the Diet as it was envisioned because of the majority in the House of Representatives by the government and the parties in power at that time.

The foregoing cited points were some of the major issues centered in the nationwide political and social campaign for which political parties, interest groups and organizations, regional governments, scholars, professional experts, and, above all, beneficiaries of the proposed scheme (people at large) had voiced their concerns up until the last minute before the enactment of the law in question.

As cited earlier, the Care Services Insurance Law(s) was placed on the agenda at the Social and Welfare Committee of the House of Representatives for its approval, and was passed through the Committee on May 21, 1997, which ensured the proposed law(s) was enacted, on a de-facto basis, as the law(s). The main contents of care services to be covered under the scheme that the Ministry of Health and Welfare decided were as follows:

1. Home care services
  - Home visit nursing care
  - Home visit by nurses
  - Home visit rehabilitation

- Development of a relationship with a designated permanent doctor for medical attention and treatment
- Day services nursing care
- Rental of health care equipment
- Development of care plans

2. Residential facility services

- Special nursing homes
- Welfare-based nursing homes (health facilities designed to normalize the condition of the elderly after the period of hospitalization and returning to one's home)
- Medical nursing facilities

In addition to the above main categories of services to be rendered, it was suggested that other related care services to meet the needs of the elderly be included. These services were to be implemented more fully as far as the Ministry's plans were concerned. With this outline of the services to be covered under the care services insurance scheme, the proposed bill was sent to the House of Councilor for further deliberations, with the aim being the enactment of the law on care services for the elderly.

It is appropriate to note that there were a number of concerns expressed as to how the first round of reviews of the law(s) could be implemented as further programs, which was cited as the conditional stipulation for the enactment of the law(s) after the first trial period of three years from the year 2000. Some of the major concerns expressed by regional governments and providers of care services (institutional facilities) were as follows: (1) if further requirements for construction of institutional facilities to provide care services that the national government included in the proposed plan for the enactment of the law(s) could be done in line with the schedule that the national government had planned, (2) how the methods and systems could be clearly defined in order to have appropriate assessment procedures for the beneficiaries to receive the care services as fairly and appropriately determined, and (3) the possibility of unrecoverable service fees due to a change in beneficiaries' financial situations, thus these beneficiaries becoming unable to afford fees for services. Mr. Yozou Kita, mayor of Moriguchi, Osaka, expressed his concerns, reflecting on the concerns of the majority of regional governments, by citing that "the system may be in place but no appropriate services may prevail" unless more comprehensive studies and in-depth discussions were carried out in order to ensure the validity of the scheme in a long-term perspective.

Mr. Jiro Arioka, a senior member of the editorial staff of Asahi Newspaper, followed the historical developments of how Japan's national insurance law(s)

came into being by conducting various research and interviewing political leaders, regional governmental officials, and other entities and organizations that were developing their respective concerns on the nature and character of the scheme, and how it may affect the nation and the population at large. Mr. Arioka expressed his opinions and views in the editorial page of Asahi Newspaper by stating the following:

“The proposed care insurance law(s) is the key to a turning point in shaping Japan’s social policy in the 21<sup>st</sup> century, in dealing with the issues of care services for the elderly. At the same time, it will be designed to review the current social policies in Japan because of the changing socio-economic factors which are reflected in the matter of demographic changes such as the decline of the birthrate and an increasing cost of medical treatment under the current medical insurance. The proposed scheme includes some merits, but more intensive discussions and research should be conducted before the proposed law(s) are enacted because it would be premature to implement the law(s) without paying attention to other related important issues, which could affect the healthy implementation of the law(s) in question. It is important that the motivation to enhance one’s willingness to lead one’s life more healthy and independent, for which the supporting social and community networks be established to support the care service at large, and that the government should give due consideration to those whose incomes are at the level of poverty.”

On July 22, 1997, the General Assembly of the House of Representatives passed the proposed law(s) by a majority vote, and the proposed bill was sent to the House of Councilor for further deliberation, which was required under the procedural matters at the Diet. The coalition government of the Liberal Democratic Party, the Democratic Socialist Party, and the Sakigake Party supported the proposed bill, but the Shin Shin Communist Party opposed the bill because they had insisted that the scheme be in a “tax-supported system” rather than a “co-sharing cost system.”

The major issues of the proposed law(s) for further deliberations at the House of Councilor were as follows:

- The matter of assessment to determine that the level of care services be properly established needed further discussion.
- The proposed assessment procedure was not simple enough to cope with the needs of those elderly who requested admission to institutional care facilities.
- The Ministry of Health and Welfare conducted research at so-called model areas, where the assessment procedures were tested based on the plan that the Ministry thought would be appropriate for the system’s implementation as of April 2000. The research findings concluded that there needs to be some improvement in the procedures of assessing the level of care services required for the elderly, either at home or in institutional facilities.

These concerns were expressed by experts at the hearing sessions conducted during the period of deliberations at the House of Councilor.

Commenting on some of the issues being deliberated at the House of Councilors relating to the proposed bill, Mr. Jiro Arioka continued to analyze those issues to see how further improvements could be adopted to ensure that the proposed scheme could be a workable system. The points he made were as follows:

- He was very doubtful as to whether or not the infrastructural support basis could be in place as the Ministry envisioned, which was 17,000 care helpers and 5,000 day service nursing care station locations. The Ministry's plan was based on The New Gold Plan, upon which such infrastructural facilities and human resources were made available to meet the needs of the elderly. It was planned that special nursing homes and health care facilities, combined with other care services stations, be made available which could accommodate the needs of the elderly. The Ministry thought that a total of 570,000 elderly could be taken care of.
- Besides the above facilities cited, medical facilities for the elderly could be made available. These facilities included 190,000 beds, care houses of 100,000, with the grand total design that the Ministry had pictured as 900,000 beds being made available.
- During the deliberation sessions at the House of Representatives conducted earlier, the Ministry responded to questions raised by the members of political parties. The Ministry cited that the first year of implementation of the care service insurance system was predicted to provide appropriate human resources, such as 170,000 helper persons, and 40% of those elderly residing in their homes would take advantage of the care services under the system. The Ministry's plan was to ensure that by 2010, there would be appropriate supporting infrastructures both for institutional facilities and caregivers, and other professional persons would be made available. Mr. Arioka questioned whether the plan that the Ministry made was based only on "wishful thinking," but also stated that it would be unrealistic to assume that only half of the elderly would take advantage of the care services under the proposed scheme.
- Many of the regional governments which were responsible for the care insurance system as an operating entity expressed their concerns that under the proposed system, the Ministry wanted the law(s) to be made as a universal system across the nation. It was argued that this universal system may not meet the needs of certain regions because of different socio-economic factors which exist among the various regions. More flexible and dynamic policies should be made available which would empower regional governments to implement their best policies in meeting the needs of the elderly in their respective regions and areas.

An organization called the Committee of 10, 000 for the Enhancement of Care Services Insurance Law(s) was one of the vocal advocacy groups that campaigned intensively to promote their policies and recommended. The following points delineate what the committee felt should be included in the proposed scheme, and their fundamental philosophy for the scheme may be summarized as follows:

- Operating entities of the system should be placed in the hands of both regional governments and a committee made up of representatives of the beneficiaries of the system.
- Additionally, the scheme that the Ministry was promoting for enactment of the law(s) should be amended to ensure that the government interject the funding out of the governmental budget in case regional governments face financial difficulties in sustaining the system, instead of raising the premium to the people.
- Some measures should be implemented to assist those persons whose incomes are insufficient to pay the fees for the services.

The Committee published its official policies concerning the proposed scheme, which are summarized as follows:

- It is recommended that The Super Gold Plan be implemented at the earliest possible date.
- It is recommended that so-called “unnecessary medically oriented treatments” be resolved, and that in-home care services be encouraged.
- Adaptations of the legal system should be put in place to protect the rights of the elderly, such as enduring power of attorney.
- A fair amount of the premium for the care services insurance system should be in place.

Some of these points became the subject of deliberations at the Ministerial Commission on Japan’s Social Policies and its related policies for further improvements in the social policies programs to meet the needs of the current and future situation. Other civic groups and academic and professional organizations voiced their respective views and recommendations to be reflected in the proposed scheme.

## II. THE PROCESS OF THE MAKING OF CARE SERVICES INSURANCE LAW(S) IN ITS EARLY STAGE

In view of a very ambitious, dramatic, and unique system for care services for the elderly on a universal basis across the nation, the core system under which care services are to be provided required enormous energy and wisdom in undertaking the task of making of the law(s) on the part of the Ministry of Health and Welfare. In 1989, the Ministry was already in motion to come up with a number of plans and strategies to see how the proposed system and its scheme would be understood and supported by the various sectors, including political parties, regional governments, and other civic and private groups. This was later named The Gold Plan. For the purpose of enhancing and elaborating the plans, the Ministry presented a so-called grand design, named The New Gold Plan, which called for more intensive and expanded infrastructural plans to be in place

to meet the needs of the elderly when the proposed care services care insurance law(s) were implemented as of April 2000. This necessitated that some of the laws already in effect be revised in order to pave the way for the proposed care services insurance law(s) to be enacted as law(s). For instance, “Welfare Eight Law” was revised in 1990, which enabled regional governments to be designated as an operating entity concerning the implementation of the proposed care service insurance law(s) and, at the same time, made it mandatory for regional governments to undertake their care service related business plans based on findings from each local regional governmental unit (city, town and village).

It is appropriate to compare The Gold Plan and The New Gold Plan to see how, and to what degree, The New Gold Plan could provide more intensive infrastructural support:

	1989 Budget	1995 Budget	GP, 1999	NGP, 1999
Home helper	31,000 persons	92,000 persons	100,000 persons	170,000 persons
Day services locations	1,080 locations	8,500 locations	100,000 locations	170,000 locations
Day cares – short stay	4,000 persons	2,900 persons	50,000 persons	60,000 persons
Home services assisted center locations	0 locations	3,400 locations	100,000 locations	100,000 locations
Home visit nursing stations	0 locations	1,500 locations	-----	5,000 locations
Special nursing homes	160,000 persons	230,000 persons	240,000 persons	290,000 persons
Health facilities for the elderly	28,000 persons	170,000 persons	280,000 persons	280,000 persons
Care house	200 persons	30,000 persons	100,000 persons	100,000 persons

Mr. Takeshi Karasawa, Director in Charge of Policy and Planning, Bureau of Social Welfare and the Elderly, commented at a special lecture session held in Shinsyu Machi, Nagano Prefecture, that the Ministry is promoting the enhancement of many types of infrastructural facilities in order to develop more comprehensive care services plans. He also emphasized the importance of such infrastructural facilities being made easily available to the needy.

Even back in 1994, the Ministerial Commission on Social and Welfare Policy, in its second report compiled by its subcommittee named the Committee on Vision and Policy for Future Social and Welfare Policy, pointed out that comprehensive discussions and studies must be conducted to set forth a way of dealing more intensively with the issue of care services for the elderly. This recommendation led to the creation of many plans and policies such as The Gold Plan, The New Gold Plan, and Gold Plan 21, key to improvements and refinements of the current law(s), which required a complete and comprehensive review of the law(s) by 2005.

In July 1995, Mr. Takeshi Karasawa presented his views, and that of the Ministry in Nagano, regarding the important points which would form a basis for developing the scheme of care services insurance law(s) under the following theme:

1. The current status and the issues at point

- Why is it that some issues of care services are regarded as questionable?
- It neglected the fact that both the national government and regional governments should have paid more attention to issues of the elderly who are not being cared for properly in their homes. This environment contributed to the collapse of the traditional family system in Japan and led to an increase in elder abuse.

The views, opinions, suggestion, and criticisms that the Ministerial Commission on Social and Welfare Policy submitted to the Minister in charge were brought into The New Gold Plan. After citing a number of the issue at hands, Mr. Takeshi Karasawa concluded his remarks by citing the following important points:

2. The fundamental philosophy and vision to be adopted for care services for the elderly

(1) The fundamental philosophy and vision for the elderly

- It is necessary that the elderly be provided not only with the system for supporting their care, but also to encourage them to be independent. It urged that the elderly be respected as far as their rights of self-determination as to how they would lead their own lives.

(2) The Ministry's fundamental policies

- A community support system and environment be established to provide care services, particularly in-home services, which could include 24-hour care services being made available.
- To reduce the possible burden on family members of the elderly who require intensive care services, make the elderly eligible for admission to various institutional care services facilities to meet their needs.
- Preventive measures be deployed to enable the elderly to stay as independent as possible.
- Medical and care services be more effectively interacted in order to save rising medical costs and provide efficient care services for the elderly.
- Fees for the care services be set at an appropriate level for those who are financially unable to afford higher fees.

- Enhancement of professional care staff be in place with a special emphasis on care plan managers.
- (3) Care services fees be established properly enough to be paid by the beneficiaries of the system by sharing the cost among the people who may take advantage of the care services in the future (co-sharing scheme).

The foregoing remarks were the core of the policies and plans that the Ministry had established with an eye to move toward the making of the law(s) in question as implemented as of April 2000.

### III. POLITICAL PLATFORMS OF THE MAJOR POLITICAL PARTIES ON JAPAN'S SOCIAL AND WELFARE POLICIES AND NATIONAL CARE SERVICES INSURANCE LAW(S), AND INTERVIEWS CONDUCTED WITH THE LEADERSHIP IN MAJOR POLITICAL PARTIES: THEIR VIEWS AND OPINIONS

#### 1. New Sakigake Party

In July 1995, the Sakigake Party adopted its official political platform concerning the national care services insurance system, which was still at the discussion stage among political parties, civic groups, academic persons, providers of care services, and the inter-governmental committees both at the Ministerial level and the Prime Minister's office, as well as regional governments. The party's adopted platform stated that the decline of the birthrate and socio-economic factors contributed to the changes not only in our society but also the lifestyle of the people. People are concerned about their later stage of life because of unforeseeable economic and business conditions, and a possible reduction in pension. This necessitates the establishment of a solid social and welfare system to cope with the aging population, which has been accelerating faster than most of us had predicted years ago. Therefore, it is essential to be reminded that an appropriate system must be in place which is designed to encourage the elderly to lead their lives as independently as possible, and emphasize that care services for the elderly be publicly systematized to provide the elderly with proper medical and care services as well as dwellings to meet their conditions.

#### 2. Shin Shin Party

The Shin Shin Party announced its political platform on July 6, 1995, in the party's official paper, in which it stated that "a care service system for the elderly be established with the essence of quality of services made available, and that the level of social and welfare programs be upgraded which are based on the political platforms adopted under the Hosokawa and Hata cabinets." The detailed policies recommended were a community supported-based care services system which was to be supported by public funding (taxes). The participation of not-for-profit organizations and other civic groups should be brought into the system to

enhance the network of supporting systems for the care services for the elderly. One of the main recommendations which was unique enough to draw some attention was the party's strong recommendation of giving legal status to groups of "volunteers of people at large" to provide more effective activities in this field.

3. Komei Party

The Komei Party's adopted political platform included the introduction of a tax to generate revenue to provide the fundamental financial basis to sustain the system rather than altering the premium or fees for care services from time to time because of a change in governmental budgetary policies. The fundamental policy was to emphasize the use of financial resources from an indirect tax rather than the burden imposed on the beneficiaries of the system. In later years, the party changed its political stance as it became part of the current coalition government under the Koizumi cabinet.

Mr. Jiro Arioka of Asahi Newspaper conducted his interviews with the leadership and the ranking members of the major parties in July 1997. The writer quoted from the interviews hereunder as an interesting political phenomenon prevailing during that period from which the leaders could see the views and opinions on Japan's Social and Welfare Policies and, in particular, the proposed care services system that had been one of the focal points in political campaigns by each political party. It is quoted from Asahi Newspaper in a July 1997 edition:

## Interviews

**Interview A:** An interview with Mr. Kouichi Kato, Secretary General of Liberal Democratic Party (LDP). (For details, see Asahi Newspaper, Tokyo, Japan, July 16, 1997.)<sup>61</sup>

Q: *I understand that your father died right after you joined the Ministry of Foreign Affairs. How is your mother doing?*

A: Thank you. She is doing very well in spite of her age of 88 and manages her daily life in my home country of Yamagata. She cooks and basically takes care of herself. Since she is so independent, she may not hear anything about conditions that require assistance from others. If a situation should arise where my mother would require assistance or care services, I would, together with my brothers and sisters, discuss how we should cope.

Q: *I am under the impression that the Committee on Reform and Restructuring for Fiscal Affairs is one in which you have been playing a leading role. The Committee is focusing on drastic reductions by trimming unnecessary items in the fiscal policy, but this implies a less-than-positive step in social programming.*

A: I maintain that the Japanese people are becoming more realistic in terms of how much the nation can afford to sustain resources for

pensions and medical insurance. If we give too much of an opportunistic impression of the substance of social welfare, it may be the case that we lose trust and accountability of the people. Thus, I believe the people are aware of the realities with which we must cope.

Q: *On the reform and restructuring policy, the government is proposing a reduction of another \$5 billion in spite of the \$8 billion which is expected to be raised from various revenues. At the last session of the Diet, the government successfully passed a bill relating to medical and insurance reform whereby the cost sharing be borne primarily on a flat rate with additional services offered on a sliding-scale basis. Does this mean a de facto increase in payments?*

A: LDP and its coalition parties are trying to achieve a consensus by the end of August in order to determine if further reforms are needed to meet the fiscal requirements for next year. Unless we are successful in finding solutions for the overall restructuring of fiscal expenditures, it will be the case that we cannot reduce the \$5 billion in medical and insurance costs. In an effort to sustain resources in this field, we have reformulated the flat rate of pay-in to the subscriber of health and medical insurance, as well as reformed the standard criteria for fees for prescription medicines, both of which will contribute to reducing unhealthy spending.

Q: *The committee on pensions has embarked on reforming various matters which include reviewing the amount of pension and the age eligibility to draw on the pension. As you know, the number of people eligible for pensions who are over the age of 65 is said to be 18 million, and is expected to be 30.5 million in the near future. Can the reform and restructuring currently underway cope with the fundamental requirements to maintain the present pension system?*

A: The pension system will be sustainable. It must be understood that the issue of pensions not be viewed in terms of the government, vis-à-vis the people, but be viewed responsibly in terms of the ratio of those supporting the system and those who are benefiting from it. In a nutshell, it should be viewed as a matter of balance among the generations between the supported and the supporter.

Q: *Is it not true that one of the fundamental reasons for our deteriorating resources for pensions is the trend among the younger generation to not have children nor even be interested in getting married?*

A: That is a headache for us. I guess it may be a cyclical matter in terms of philosophy and lifestyle at any given period of time. In the United States, we have seen a periodic cycle in the waves of liberalism and conservatism which have affected the lifestyles of the American people.

Q: *As to the care service insurance now in the final stages of becoming law, there are expressed opinions calling for the system to be implemented by taxation.*

A: I believe that people are responsible for planning how to care for themselves in old age, which heightens their sense of independence. If we rely solely on taxation to pay for care services, it may not develop people's consciousness in the society to be more independent in planning for their old age. There are, however, opinions voiced within the LDP that fiscal and budgetary discrepancies exist within the regions. This may have a negative impact on local and regional governments, as in the case of the national health insurance, the cost of which is shared by the national government, regional governments, and the subscriber of the insurance. Depending on the financial situation of given regions, a high degree of financial burden is imposed on those regional governments. We are trying to make sure that this does not happen.

Q: *There is still a large number of people who stress the importance of families providing care services for their elders. What do you think of this?*

A: It may be the case that the majority of LDP members agreed to such an idea, but the low numbers of large families and the decline in the

birthrate has forced a change in attitude of care services being provided by families.

Q: *There are a variety of opinions concerning the need to increase spending in order to provide for the advancing social policy. On the other hand, some argue that efforts should be made to reduce expenditures in order to uphold social welfare programs. What is your view in this regard?*

A: I think there are three types of cases, one case being those who are involuntarily disabled and single-parent families. I am of the opinion that social policies and programs should look after them at a reasonable cost. Secondly, there are those who are aware of the economics of old age and population demographics. If they are in favor of a more comprehensive social policy, then they are obligated to pay more for the services, which are mostly medical and care services for themselves in old age. It is a question of which they will choose. Thirdly, are the services related to daycare for infants and children in kindergarten?

Q: *When we dwell on issues of social welfare policy, we cannot exclude the role that government plays—a big government or a small government? What is your opinion?*

A: It is a matter of choice. The more intensive and comprehensive policies and programs you seek, the greater the responsibility for sharing the

costs. As far as I am concerned, I favor a small government. I believe that a large government diminishes vitalization of the nation in every aspect of policies and activities unless the people and the government are at one in their objectives and goals for the future and well-being of the nation. Collaboration and cooperation between public and private sectors need to be effectively utilized, for instance close collaboration with organizations such as NPO (nonprofit organizations). Community efforts to foster the attitude of mutual and interactive support has been the spirit of Japanese tradition expressed through local and regional grassroots movements. But this important spirit has been fading away since the boom in economic growth that Japan had enjoyed in the 1980s. We are now rebuilding this essential spirit through grassroots movements in the area of social welfare policies and programs.

Q: *Is the issue of "a large or small government" going to be one of the political issues in the arena of Japanese politics?*

A: Yes, that may be the case. When one views the political stance of one party versus the other, there are two major points which differentiate the policy and philosophy of political parties in any nation. The first point is the direction of the diplomatic policy that parties form as their fundamental stance in international relations with other nations. Another aspect of importance is, to what degree should the government

play a certain role in the lives of the people? In this sense, Japanese people are becoming more aware of their political consciousness and concerns.

Q: *From what you have just said, is it not true that your political philosophy is closer to the New Frontier Party than the Social Democratic Party?*

A: It may be that I share some political philosophies of the New Frontier Party, but let me also state that the Social Democratic Party has been stressing that the role of “the central government be small with more autonomous powers vested in regional governments.”

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Mr. Jiro Arioka summarizes his assessments as follows:

In spite of my assumption and observation of his position with respect to Japan’s social welfare policy, I admit he is far more optimistic than I always thought. I interpreted his opinions as a responsible leader in promoting ongoing reforms and restructuring by accomplishing tangible results. I take his position that we can achieve goals and objectives in ongoing reform of the social welfare policy without a major change to our fundamental system.

I am of the opinion that Mr. Kato’s political philosophy and strategies in this regard are somewhat compatible to that of Ex-Prime Minister

Margaret Sacher, who promoted the policy of less involvement by the government and tried to leave the responsibility of social welfare matters to the individuals' will to care for themselves. But Mr. Kato has not gone to the same level as that of Mrs. Sacher. I see a kind of dilemma in him as he advocates for small government, yet he is not totally the same as "Sacherism" as far as his current political stance is concerned.

**Interview B:**      **An interview with Mr. Takeshi Noda, Chairman of Policy Formation, New Frontier Party. (For details, see Asahi Newspaper, Tokyo, Japan, July 17, 1997.)<sup>62</sup>**

Q:      *Who is taking care of your mother?*

A:      My mother is not as well as I hoped she would be. She is staying with my elder brother. I am living with my wife and her mother. My mother-in-law suffered minor brain damage several years ago, but she is now doing well, even sewing clothes and taking care of her own bathing. We sometimes play a game of Mah-Jongg, which stimulates her mind and keeps her mental capacity from deteriorating. She gets excited when she loses the game.

Q:      *What will you do when care services are required?*

A:      We must think of how to cope with this situation before it occurs. I hope, however, that their mental capacities stay intact. Since I am involved in politics, they follow with concern the policies on which I am

working. This keeps their interest and keeps their minds alert and active.

Q: *What do you think of your own aging and your life as an elder?*

A: If I am demented, I would rather choose the demise of my life instead of remaining a member of the Diet. This would be unfortunate for the people who supported me.

Q: *It is predicted that one third of the total population in Japan will be over the age of 65 in fifty years. How should we cope with the issues of medical insurance, pensions, and care service system?*

A: I believe it is important to establish a care system for the aging population, to secure revenue for sustaining these social service programs, and to vitalize the economy which provides stable employment. These issues must be reviewed and linked to the fiscal and economic restructuring plans. Presently, the revenue for supporting social welfare programs is being gathered largely by deceptive direct taxation. If this situation continues for another twenty years, a large portion of the income may have already been deducted out of the earnings, and this will push up the costs for industry.

There may also be a widening discrepancy between the next income of self-employed and salaried persons. In order to sustain a

healthy system of social welfare programs, it is essential that net incomes be assured, as well as paying attention that industries be given some special tax benefit. This would generate revenue for the revitalization of the economy and business, which invites further investments, which leads to growth of the economy and an increase in employment.

Thus, I believe, fundamentally, that direct taxation be avoided and the revenue for supporting social welfare policy be raised through sales taxes. This will reduce a feeling of unfairness in terms of taxation among the generations. In short, revenue from sales taxes should be solely used for social welfare programs.

Q: *If pensions, medical programs, and care services for the aged are to be supported by sales taxes, is it not true that sales taxes will become very high?*

A: I disagree. It may average 10%, with a possible rate of 12% at its highest. With the introduction of care insurance, the present government has been raising the sales taxes and premiums for the national medical insurance while allowing the quality and quantity of services to go down, thus degrading the essence of the care services. I question why the government raised the rate of sales tax. Again, I maintain that the revenues from sales taxes be used to support social welfare programs.

Q: *Keizai Doyukai [a Japanese economic and business organization] is proposing a new plan to be studied whereby the national social security system be reviewed and corporate pensions be enlarged by raising the minimum payment from the current standard of ¥130,000 per month per couple to ¥150,000.*

A: The national social security system is based on the concept of equality regardless of the type of industry or business the employee works for. Thus, there are no discrepancies in terms of size or type of industry where one is employed in order to be eligible for benefits. It is a matter of opinion whether pensions should be supported by a change in the sales taxes or by premiums of the social security system.

Q: *In the last general election, the New Frontier Party opposed increasing sales tax as part of its party platform. Is it not true that the Party has a more open policy with respect to taxation?*

A: I maintain that the issues of taxation should be linked to the future of Japan's social welfare programs. The position taken by the government and the parties in power merely emphasize raising the rate of sales tax without reference to a specific policy or direction for its use.

Q: *Please state specifically why financial resources for support of social welfare programs should come from direct taxation, i.e., income taxes.*

A: Regional differences exist in terms of industrial and business environments. Thus, to avoid any unequal elements in the implementation of social welfare programs, it is better to provide medical and care services under direct taxation.

Q: *So, you are taking the position that care services for the aged should be covered by resources from direct taxation?*

A: Yes, the care service system should be covered by public funding as far as possible, allowing for a role that the private sectors could play. This may reduce the total costs at large.

Q: *If taxation is going to be the total resource for care services for the aged, Komei Party and its supporters may not go along with the policy you are trying to promote?*

A: I do not think so. Those who are not in favor of the high rate of sales tax do not necessarily think that the quality and quantity of care services should be degraded. Making care services an important part of social policy is a matter of a so-called "security pact" for the livelihood of human beings. Thus, no one would object to the policy I have outlined.

Q: *Will the debate on social policy becoming a major political issue lead to the restructuring of political parties?*

A: It may be possible that such an important issue could change the Japanese political picture by bringing about another phase of forming Japanese political alliances. I must say that not only LDP but other parties are avoiding debate on the essence of social policy in relation to the resources which support the system.

Q: *The New Frontier Party has been advocating for a small government. Do you think this is realistic?*

A: The question you raised does not make any sense. I maintain that the government and public sectors are basically responsible for ensuring that people are protected for the minimum quality of life. Of course, the government must do its best to reduce unnecessary expenditures and improve the fiscal situation. The government has stated that it will not raise sales taxes again and will enhance financial resources by raising the national health insurance premiums and by limiting certain areas to be covered by the insurance. This will, of course, lead to degrading the quality of medical and care services of the aged. Is this the role of a small government as the present government is trying to define it?

Q: *I see your points. It is difficult to see any drastic change in the decline of the birth rate.*

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Mr. Arioka's comments on Mr. Noda's political philosophy on Japan's social welfare programs are interpreted as follows:

I see Mr. Noda's views and opinions are quite clear and straight forward. He stresses the point that in a time of growing population, it is necessary to vitalize the economy. At the same time, it is necessary to economize fiscal expenditures. Mr. Noda emphasizes the importance of sharing the costs of insurance with industry and business. He stresses the importance of ensuring an appropriate net income for salaried employees. He advocates a shift from direct taxation to sales tax as far as major resources for social welfare programs are concerned. I see that one of the concerns is the high rate of sales tax targeted at 12%. Mr. Noda's basic idea is to provide the scale and quality of social welfare services by managing the programs within the resources available, revenue from sales tax.

Although Mr. Noda stresses the importance of resources supporting social welfare programs from sales tax, he has not committed himself as to how sales tax should be raised. He ought to make his position clearer.

**Interview C:      An interview with Mr. Naoto Kan, Chairman of the Democratic Party and former Minister, Ministry of Health and Welfare. (For details, see Asahi Newspaper, Tokyo, Japan, July 18, 1997.)<sup>63</sup>**

Q:      *How are your parents?*

A: My father died of brain damage a few years ago. During the last two-year period of my father's brain damage, he was paralyzed and confined to a wheelchair. My mother looked after him, and my elder sister and I often assisted her in caring for my father. My mother, who is 75, now lives alone.

Q: *Since your mother is living alone, aren't you worried about her?*

A: She says that she enjoys being alone. We live only ten minutes away, and we often see each other. We have installed a security device which is linked to an emergency center. She can notify them by pushing a button installed in the bathroom, and a home call will result.

Q: *I would like to ask you a few questions. Please elaborate on your fundamental thinking for pensions and the medical system.*

A: Unless we undertake a fundamental restructuring, we cannot sustain the systems currently in place. Of course, the issue of how we are going to keep the pension plan sound is a matter of importance. There is, however, an underlying problem which first must be resolved, and that is the decline in birth rate. When I was Minister in charge of Health and Welfare, I studied the most recent ten-year data showing the decline in birth rate. I found that in this ten-year period the number of unmarried females between 25 and 30 years of age has

doubled. This trend impacts a great deal on how we can sustain the systems.

Q: *As Minister, you directed a specific policy to cope with this issue by extending some financial assistance to families with additional children.*

A: Japanese bureaucratic officials have no creative sense of how to cope with these problems. To them, what is important is to increase their share of the fiscal budget, and they are not interested in the outcome of policies. For instance, subsidies for children come under the jurisdiction of the Ministry of Health and Welfare, whereas paid holidays for women after childbirth fall under the Ministry of Labor. I personally think these two programs could be more effective and productive under the Ministry of Labor, thereby working towards an increase in the birth rate.

Q: *What is your view of the pension system?*

A: When I was Minister, I asked the Director General of the Bureau of Pensions how long he had been at his post. He replied by saying that he had been two years in this particular field. I told him that someone who is going to be responsible for certain policies should stay in that assignment for at least ten years. Otherwise, how could practical and innovative programs be effectively promoted?

Matters of social policy must be carried out in a long-term approach rather than one fiscal year at a time. Unless we face the issues of the present pension system, it will be bankrupt in 25 years. The point in question is, can we implement and adopt more flexible and creative policies? For instance, implementing a special tax incentive for the aged as they dispose of their assets supports them in their old age and gives them a greater sense of independence. Reviewing and improving medical pension and care services for elders through a unified program avoids unnecessary expenditures and also implements a more comprehensive one. I should also point out the need for improvements in “barrier free” housing for elders, which ensures them a measure of safety. Additionally, the commute from home to work needs to be reevaluated for older adults. All of these matters need serious consideration.

Q: *I believe we should implement a sound life plan for the aged in terms of an innovative infrastructure of policies and programs.*

A: A policy of providing public housing, as in Germany and Denmark, shifts its weight more to the needs of the aged, which reduces their financial burden for housing and assures them a safe place to live.

Speaking of Japan’s social policy, housing for elders is way behind other nations. Although the construction of housing units is increasing, it is not improving in terms of quality. In a nutshell,

Japan's national policy is not integrated in terms of a comprehensive policy to be promoted; thus, I am advocating for the dismantling of the present bureaucratic system.

Q: *As Minister, you were responsible for introducing a bill designed to provide care service insurance. You stated that you may have to review and revise this system if, in the future, it is to be covered by taxation.*

A: Ideally, such a system should be covered by tax, particularly care services for the aged. I introduced the care service insurance bill because the need for care services for the aged is so acute. Approximately one million older persons are bedridden. The bill I sent to the Diet for enactment into law may be assessed at 65% rather than 100%, but I believe this system should be in place immediately. Dwelling on the point of whether the care service system should be implemented by taxation or a form of insurance only leads to endless debate and discussions. I felt that the care service insurance system was more receptive to all sectors and that we could improve and revise it as we went along. I believe that the final form of care service programs for elders should be covered by taxes.

Q: *What is your view of the ongoing review concerning medical insurance?*

A: To my regret, the substance of what medical insurance should be has not been at the center of discussions. The expressed interests are more focused on reviewing the financial aspects of the system.

Q: *Then, what should be reviewed and discussed?*

A: Let us look into the situation where an older person is hospitalized and recovered enough to be discharged home, but follow-up care services are not adequately provided, which prevents them from going home and forces their stay in the hospital. Now that the care service insurance is going to be in place, it will accommodate those who are in need of such care. All in all, what is important is to implement effective and comprehensive policies and programs that keep total costs reduced and support Japan's social policies for the long term.

Q: *What is your opinion on the proposed increase in sales tax to support Japan's social policies?*

A: It's a question of quality, more than the responsibility of the Japanese people to secure resources for sustaining Japan's social policies. The option is left for the people to choose which way they want to go. I do, however, maintain there are many areas in which unnecessary expenditures are still kept in place. We must be more severe as to what is needed and what waste should be eliminated. As we are about to embark on a series of serious discussions as to how we maintain

these social programs, it should be pointed out that we are wasting a great deal of our financial resources for public projects which are really not necessary.

Q: *Democratic Party's policy is to make people understand that higher quality in social programs requires a larger share of the financial burden on the part of the people.*

A: I am critical of some of the conservative political groups in Japan that are more interested in promoting public projects at the sacrifice of social policy. My personal philosophy is that it is the responsibility of government to ensure the minimum degree of social programs through public funding.

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Mr. Jiro Arioka views Mr. Kan's political philosophy, particularly social policy, as government led. Mr. Kan's opinion is that elimination of unnecessary public projects could provide additional financial resources for social programs. Mr. Kan does not deny the importance of shared financial responsibility with the people for the enhancement of social programs. His rather detailed views on the care service insurance system are noteworthy, but he has not expressed any specific policies and programs as an alternative. I share the view with Mr. Kan that more emphasis be placed on improving

homes by installing auxiliary devices to aid elders in living securely in their own homes.

**Interview D: An interview conducted with Mr. Kenji Kodama, Chairman of the Social Welfare Committee, Japan Communist Party. (For details, see Asahi Newspaper, Tokyo, Japan, July 19, 1997.)<sup>64</sup>**

Q: *I understand your mother is now staying at a special nursing home?*

A: Yes, she is 91 years old and stays at a special nursing home in Hiroshima. She caught a bad cold and then fell in the bathroom and broke some bones. This was the beginning of her becoming demented. Now, she is seriously demented because whenever I call on her, she does not recognize me. My mother is being cared for by my elder sister, who is 68 and also lives in a nursing home in the same area.

Q: *From your experience of having a mother in such a condition, would you comment on Japan's social policies and programs?*

A: I see that the total number of nurses and caregivers is not enough to cope with the current situation.

Q: *Then, what has to be done to rectify social policy and programs?*

A: I think that the issue of a growing aging society must be studied together with the issue of a declining birth rate. It is necessary to give more attention to matters of public support for children, paid holidays,

women after childbirth, and improvements in the housing situation. The present elders are those who have gone through a period of hardship after the last world war; we must treat them with respect and appreciation. It is really a question of whether or not they are valued in our society.

Q: *Your philosophical view is important, but it will not help advance the more detailed discussion which requires specific political leadership.*

A: I believe that this fundamental attitude must be upheld in order to have insight into the importance of social policy.

Q: *What else, if anything?*

A: We must deal with the matter of fiscal expenditures. The government is moving in the direction of increasing the budget for defense and for various public projects which are not regarded as assets for social capitalization. The government's policy of reducing the fiscal budget for education, medical services, and social welfare is where we differ. The Japanese government has postponed implementation of billions and billions of dollars for at least three years. In spite of the government's announced plan to reduce the defense budget, on a defacto basis, it is being increased. At the same time, the fiscal budget for social welfare programs is being reduced by \$3 billion.

Q: *In the expanding aging society that we face, is it not true that we must restructure our fiscal expenditures?*

A: To be specific, we have strongly advocated for review of waste in programs and expenditures. Such is an attempt to restructure the medical insurance system with a particular focus on dispensing medicine under the current policy. If we would undertake an overall restructuring of this matter, we could save at least \$200 billion. This would help the current deficit of \$150 billion in the medical insurance system. I understand that Prime Minister Hashimoto and Minister of Health and Welfare, Mr. Koizumi, are in full agreement with our proposal. But the step they have taken is to increase the financial burden on the people before they undertook specific measures to rectify the situation.

Q: *What is your position on the proposed care service insurance?*

A: We are submitting a proposal which calls for implementing a combination of both insurance premiums and taxation to support the proposed care service insurance. Persons beyond the age of 40 will be eligible to enjoy the benefits, and people with low incomes will be free of charge.

Q: *What about pensions?*

A: We must recognize that there are a number of people who are not even carrying the national social security. Also, some people cannot afford to keep paying the fees for social security. We should establish the minimum social security which would be covered by taxation, and then on top of this, there could be an option available for another pension for old age. We are urging the government to rectify the employer-employee ratio of pay-in fees from the current ratio of 50% to 30% - 70%, as some western nations have done.

Q: *The line of thinking which your party is proposing, such as the implementation of minimum social security, may further deteriorate the resources for sustaining the system. It will impose a heavy financial burden on the national budget.*

A: We are proposing a substantial reduction in the amount of expenditures currently being spent for public projects, and defense expenditures could be reduced by half, which would fund social security and pensions.

Q: *Your party is even advocating the dismantling of the present sales tax system, and I believe you are too optimistic and unrealistic about the revenue sources which are needed to support social welfare policy.*

A: We are not proposing plans without due consideration of the fiscal expenditure requirements. With respect to social welfare programs,

we are not saying that everything is to be covered by public funding, namely tax revenue. We are saying that pay-in fees must be assessed on the income one will be earning, but benefits should be made available on an equal basis regardless of how much one has paid in. Even in the case of care service insurance and national health insurance, we are not saying that low income persons be free of the cost-sharing. We are saying that each case should be reviewed in order to apply appropriate fees for those who are in need of assistance.

Our party is often criticized, saying that we are aiming for big government. Those who disagree with our line of thinking on social policy are evading the issue of defense spending and other public projects which are not really necessary.

Q: *From what you have said, am I correct in assuming that Japan's Communist Party is not interested in limiting the government's role of promoting, advancing, and implementing social policies and programs. Am I correct?*

A: You are right. We are not interested in a big government. Our fundamental policy is based on Article 25 of our Constitution. If we can reduce defense spending drastically, we will have enough resources to support Japan's social welfare programs, as I outlined.

Q: *It may be possible that the issues of Japan's social policy lead to the restructuring of Japan's political parties, thus changing the political picture. What do you think of this matter?*

A: Under the Hashimoto Cabinet, with the exception of our party, other political parties have lost their identity as an opposing party. Thus, they are losing the support of the people.

Q: *In the last election for Tokyo municipal government, Japan's Communist Party gained a large number of seats. Does this have something to do with the issues of Japan's social policy?*

A: As you know, the result of the last election is self-explanatory.

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Commending on Mr. Kodama's views which reflect policy of the Communist Party, Mr. Arioka summarizes his point with respect to Japan's Communist Party's position on social welfare policy by saying, "His party's policy is based on the political philosophy of enhanced social welfare programs, with less sharing of cost on the part of the people."

He further argues that the policy of Japan's Communist Party in support of care service insurance, social security, and medical insurance expresses doubts for realistic implementation due to the expanding aged population. The reduction of defense spending alone cannot substantiate the resources needed to sustain the proposed social welfare policies. Japan's

Communist Party's policy of sharing such a large cost for supporting these services may have negative impacts on economic growth, which in turn could aggravate the resources needed to support Japan's social welfare policy.

**Interview E:**      **An interview conducted with Mr. Tomiichi Murayama, former Prime Minister (Social Democrat Party). (For details, see Asahi Newspaper, Tokyo, Japan, July 23, 1997.)<sup>65</sup>**

Q:      *During your long tenure as a ranking member of the Diet, you have always been involved in issues of Japan's social welfare policy.*

A:      Since I was elected as a member of the House of Representatives in 1972, I have belonged to the Committee on Social Welfare and Labor and have served on this committee for the last ten years. I always wanted to play a role in promoting social welfare programs. But my desire to continue this effort has been temporarily stopped because I was elected Prime Minister.

Q:      *You are 73 years old. Are you concerned about your and your wife's life as you age?*

A:      Yes, my wife had a hip operation some time ago and has recovered from the worst part, but she cannot bend and has difficulty walking for long periods of time. Speaking of our old age, I think it better to do whatever we can as long as we can. Hopefully, my daughter will live near us and look after us from time to time.

Q: *Suppose that you were really frail and required care services. Do you still wish to stay at home?*

A: In that case, we may have to move into a facility for the elderly. It would be difficult for us to look after ourselves at home.

Q: *Do you have any idea as to what type of facility you have in mind?*

A: No. I do, however, think it important to create a collaborative system among hospitals, facilities for the elderly, and services for elders at home. This system of services will ensure the elderly feel secure and comfortable.

Q: *What do you think of the proposed care service insurance?*

A: In our rapidly aging society, it is important that some specific system be established to provide options for the elderly to lead independent lives rather than depend solely on their own families.

Q: *There are some opinions expressed that say care service insurance should be supported by public funding through taxation. What is your opinion in this regard?*

A: Considering the current system proposed, it may be that it should be based on the concept of insurance. However, I think that some fundamental restructuring of the current social welfare programs be undertaken in the near future. For instance, I think as far as social

security is concerned, an established minimum amount, assured for all, should be covered by public funding. As to medical services for the elderly, a minimum of services should be covered by public funding, with an additional option to be covered by some other system.

Q: *To what kind of pension system do you belong?*

A: I belong to a pension system which has been established for members of the Diet. While I was involved in local politics, I belonged to another pension system. But since I became a member of the Diet, I was disqualified and can no longer get benefits for which I paid during my tenure as city and prefecture assembly members.

Q: *You now take a position that a pension system is an important aspect of Japan's social policy, so what is your opinion concerning a proposed restructuring plan on pensions?*

A: Since the nature of pensions is based on a concept of a long-term contract, any drastic and one-sided action may have negative impacts on the accountability of the government. I believe that the age at which one becomes eligible for the benefits should be studied in relation to the employment situation and the mandatory retirement age. Thus, I believe that a question of lowering the age for eligibility of benefits should be carefully studied. We are currently studying these issues.

Q: *What is your opinion concerning the overall restructuring of the medical insurance system now being discussed?*

A: The medical reform bill that passed in the last session of the Diet should be considered as a temporary measure which will not meet the needs of today's requirements. Firstly, the issue of what should be covered by public funding and what should be left to insurance systems needs to be discussed in more depth. There remains a question of how to establish an appropriate standard for the price of medicine and doctors' fees. Unnecessary and excessive medical treatments and dispensation of medicines, currently in practice, should be viewed as unethical. Free competition is one of the ideas offered to reduce this one-sided treatment malpractice, which has been skyrocketing costs of medical treatment beyond reason.

Q: *If your line of thinking is to be implemented, costs for promoting social welfare programs will be increased substantially. How do you cope with this difficult question?*

A: Up to now, Japan's social welfare programs have been based on revenue through taxation which is applied on progressive taxation of earnings. This has provided the opportunity for the poor to enjoy the benefits. Now that we are already in an older society, the question of income tax must be reviewed, as well as the introduction of indirect

taxation. In short, we must look into a system of taxation that is fair and accountable.

Q: *Are you saying that your suggestion is aimed at sales taxes?*

A: Yes, basically it is necessary to raise sales taxes. But we must clearly specify what percentage of the revenue from sales taxes goes to social welfare programs. Before we consider raising sales taxes, we must cope with the issues of restructuring the bureaucratic system, as well as reforming programs associated with medical insurance and other governmental structures. I believe that people will support raising sales taxes if we can specify how it is to be spent, and they are assured that revenue from sales taxes directly supports social welfare programs for the aged. I also think it is very important that basic items needed for livelihood should be taxed at a reduced rate.

Q: *Socialist Democrat Party has been advocating a large role for government to play in terms of promoting social policy.*

A: It is not a question of the size of the government, but it is a question of what the government should be doing in the field of social policy. My opinion is that decentralization of the national government should be promoted whereby substantial costs could be saved. As explicitly stated under Article 25 of our Constitution, it is the responsibility of

the national government to see that social welfare programs are developed and offered to the people.

I am aware of some economic arguments stating that public funding through taxation should not be used for social welfare programs. I deny this particular assertion. Unless we provide security and assurances to the working class about their future, they could lose their trust in the system, which could then contribute to less productivity in our economy.

Q: *With your political vision, are you not interested in playing a key role in an alignment of political forces to promote such a policy?*

A: I know that there are many colleagues among the members of the Diet, but since our party lost so many seats in the last election, it makes it difficult to lead the movement right now.

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Mr. Jiro Arioka comments that Mr. Murayama indicated that he would, perhaps, move into a facility for the elderly when he faces such a situation. Granted, he is of such political caliber, it may be difficult for him to find such a facility where he could still conduct his political activities.

It is important that we endeavor to promote the establishment of comfortable facilities where the elderly can enjoy their lives. Commenting on Mr. Murayama's opinions on social welfare programs and the resources for

supporting it, Mr. Arioka states that Mr. Murayama's position is quite clear and understandable. Mr. Murayama's philosophy is "more the social welfare programs, more the sharing of the costs." Mr. Murayama's stance in social policy is viewed by Mr. Arioka. Given his experience as Prime Minister, during which time he was responsible for raising sales taxes from 3% to 5%, Mr. Murayama asserted that revenue from sales taxes be clearly specified in terms of how much revenue goes into the social welfare programs.

**Interview F:**      **An interview conducted with Mr. Bunmei Ibuki, Deputy Director General of Liberal Democratic Party. (For details, see Asahi Newspaper, Tokyo, Japan, July 24, 1997.)<sup>66</sup>**

Q:    *I understand that your mother is 82 years old. How is she doing?*

A:    My mother still drives a car by herself. My father passed away at the age of 83. During his last three years, he had been practically bedridden. My mother looked after him. She now stays with my younger brother's family. It is my wish that she could be cared for by our family at home when such a situation occurs.

Q:    *You have been an advocator of "three generations living together." I find it difficult to see the possibility of such a way of life, as many elders are living alone. It is also common nowadays for an older couple to be living without their children. I understand that quite a few people are*

*even expressing the feeling that it is much better not to live together with their children.*

A: I wonder if what you have just mentioned is true or not. I believe it is best for elders to live together with their families. For instance, if specific measures are implemented to promote programs for three generations living together, it would be possible for such a style of living even in Tokyo, where land cost and commuting distances are current barriers to such a lifestyle. It is, however, necessary to implement a certain policy which gives supportive incentives, such as a reduction in taxes, housing, etc. We should educate people in the Japanese tradition of keeping a close-knit family as one of the best ways to care for the aged. This would also help reduce fiscal expenditures. The government should provide only minimum security and assurance for the aged in terms of care services assistance.

Q: *What is your opinion of the ongoing medical reform programs?*

A: I believe that the present national health insurance is one of the unique systems we can be proud of. It provides benefits to all.

If we are going to sustain the current system, it is important for people to realize how to secure the resources to support this system. In order to keep the national health insurance system alive, there are four specific ways by which the total cost of medical services can be reduced. Firstly, older persons are asked to share more of the costs.

Secondly, public funding through taxation will need to increase.

Thirdly, younger generations will be asked to pick up a greater share of the responsibility to sustain the system. Lastly, medical doctors and hospitals must endeavor to reduce the total cost of medical services. I think national health insurance should be maintained. But this must be decided by the people, whether or not they are for increased medical services or less cost and less services. For practical purposes, I see that for national health insurance to be maintained, there needs to be another option for additional medical services with additional fees attached.

Q: *What about medical services for elders? Are you thinking of forming a separate system designed for the aged which would be covered by public funding through taxation?*

A: I think that it should be that way in the future. But Prime Minister Hashimoto has already pledged that he would not raise sales taxes at least during his tenureship as Prime Minister. This leaves the door open for possibly introducing a bill which would require elders to pay more than they are paying now for the costs of medical services.

Q: *On the subject of social security, you have been advocating for a higher payment which would be supported by higher income and other forms of taxation.*

A: I personally see where a review of the current system is needed. For instance, the current age of eligibility for benefits is 65; those who are earning more than the average should pay more of the costs. After reviewing these matters, if it is deemed necessary to support the present system, then we must guarantee the resources through sales taxes.

I believe people should realize that if they wish to enjoy a higher level of social welfare, they must share the cost for it. Thus, a crucial and important point is to establish a sound taxation system which will be fair to all parties concerned. If we are going to keep the system of national health insurance, medical insurance for the aged, and care service insurance alive, we must ask everyone to share in the responsibility for securing the resources for such healthy and manageable systems. In this sense, allocation of revenue from sales taxes may be one of the answers.

In short, it will depend on how we can reform the current taxation structure in order to generate more dynamic energies for the growth of the economy, thus fostering a healthy and competitive spirit in our society.

Q: *Your line of thinking regarding revenue from sales taxes supporting the functioning systems poses a certain element of inequality; those whose income is relatively low may suffer most.*

A: It is a question of degree in terms of establishing the essence of equality. Those who are receiving social security as well as some other income should carry the responsibility for sharing in the costs of maintaining social welfare programs.

Q: *What do you think of the care services insurance now being debated by the Diet?*

A: Frankly, I think that the care services insurance bill which passed in the House of Representatives of the Diet last session contains a number of problems in terms of whether it is manageable. According to the bill, monthly charges for people over the age of 40 are only ¥ 2,500. I wonder if that amount appropriates enough resources for the system to function properly and financially. Since the operating entity is going to be the regional governments, it may be possible for regions and localities to establish services on an equal basis across the nation through their financial strengths, as well as civic support in the form of "volunteering." I think that a measure should be implemented to allocate financial support from sales tax revenue to those regions and localities in accordance with their numbers of elders requiring care service.

Q: *Since the issue of social welfare is such an important agenda for political leadership, do you think that an outcome of these issues may lead to a restructuring of Japan's political circle?*

A: To my regret, it will not be the case, as you suggest. I believe that the fundamental philosophy of conservative parties is based on the concept of "self-support," "self-responsibility," and the responsibility of the government to provide the basic needs of the society, whereas liberal parties are basing their philosophy on a role of government which should be positive, large, and somewhat doubtful about the free mechanism of competition. Of course, higher levels of social welfare are important, but it is really up to the people to choose, keeping in mind the accompanying responsibilities.

Unlike the United States, where Republicans and Democrats are the two major parties and power shifts from one to the other over periods of time and people tend to be in between in terms of their political views, Japanese political power has been in the hands of the Liberal Democratic Party for a long period due to the uncertain and unclear political visions on the part of the opposition parties, whereas the Liberal Democratic Party has both elements within it. This has provided healthy political arguments out of which clear political visions are being established. This is the reason that the Liberal Democratic Party has been in power for such a long time.

Speaking of the Democratic Party, it would be much better if they established a clear political vision. For instance, they should make it clear that they are for higher levels of social welfare programs. But as the party which claims to be liberal, they seem to have paradoxical visions on other issues. The Communist Party maintains and adheres to its political philosophy, which may not be practical but is gaining in support.

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Commenting on Mr. Ibuki's views, Mr. Jiro Arioka analyzes Mr. Ibuki as being a typical Japanese politician. While Mr. Ibuki advocates for the concept of "self-support" and "self-responsibility," he urges the implementation of certain measures to promote the "three generations living together" program. Mr. Arioka points out that Mr. Ibuki's advocating for "three generations living together" is impractical because in our modern society employment opportunities have become so mobile that it is beyond employees' control whether or not they could find a job which would enable them to live with their families. Mr. Arioka further points out that Mr. Ibuki's remarks about Japan's social policy are still vague and require more clarification.

During 1997, Japan's political picture was dramatically changing because of the collapse of the Liberal Democratic Party as the party in power for the previous 40 years. Those who deserted the Liberal Democratic Party formed various new parties, and the formation of coalition governments was no longer unusual in the Japanese political system. Under this condition, each political party could not maintain a cohesive political philosophy on Japan's Social and Welfare Policies except the Japanese Communist Party. Mr. Junichiro Koizumi, who is now Prime Minister, was the Minister in charge of the Ministry of Health and Welfare, and who often became the target of criticism concerning the proposed care service insurance system. Not only the opposition parties but also mass media criticized Minister Koizumi for not elaborating on the detailed contents of the proposed care services insurance system. It was demanded that he clearly define the accountable vision concerning the proposed care services insurance system from various angles, including issues which had been raised concerning the workability of the system. The main concerns were centered on the policies that the government may be forced to cope with, and the issue of financial resources to sustain the system as a healthy and sustainable system, not relying on possible changes in the insurance premium and fees for the services if economic and governmental revenue should become unsound.

As has been noted, the proposed care services insurance system was one of the most debatable political programs that the government of Japan and the party in power at that time had to face. Increased criticisms were voiced by the opposition parties, and even by some members within the party in power. However, the government and the leadership in the political parties in power decided move ahead to pass the bill and send it back to the House of Representatives for final and official approval and enactment of the law(s) in question at the General Assembly of the House of Representatives. At the 141 Diet session in 1997, the Committee on Social and Welfare of the House of Councilor carried the motion by a majority of the parties in power to approve the bill placed on the floor of the Committee. It was approved on December 2, 1997, and the approved bill was sent to the General Assembly of the House of Councilor for its final passing of the law(s) as placed before the vote of the members of the House of Councilor which was passed on December 9, 1997, and the bill was sent back to the House of Representatives for the enactment of the law(s). The House of Representatives enacted the proposed bill with the attachment of a conditional stipulation of 16 points which were needed to be amended by 2005 to make the law(s) into the final form of the law called "Care Services Insurance Act(s)."

IV. REACTIONS AND VIEWS EXPRESSED BY THE PUBLIC AND OTHER ENTITIES WITH A VESTED INTEREST IN THE OUTCOME OF THE CARE SERVICES INSURANCE LAW(S)

As the law(s) was in place for implementation as of April 2000, major newspapers, television, professional publications, civic groups, and the national government and regional governments began to embark upon their respective campaigns to focus on the pros and cons of some of the issues which were yet unclear. It was mandatory, as stipulated in the attachment to the original law(s) enacted in 1997, that the law(s) were to be reviewed by the end of March 2003, with special emphasis placed on the changes in the fees for the care services to be rendered to the beneficiaries of the system. Other issues left for further review

in the form of amendments to the original law(s) must be completed by the end of March 2005.

Let us review some of the points raised as issues for further discussions and deliberations at the Diet, about which major newspapers and other mass media conducted their own research regarding the reactions of the people at large and other entities involved with the care services insurance system. During November 1999, Asahi Newspaper (equivalent to the New York Times) carried a series of articles concerning their findings. The newspaper had conducted a nationwide study from which the following points were cited:

- 87% of those who responded to the questions posed by Asahi Newspaper said that they felt anxiety about the services under the care services insurance system. 57% of those who responded approved of a “co-sharing” system whereas only 27% of those who responded approved of a “tax” system.
- 197 regional governments across the nation thought it would be uncomfortable to implement the system as of April 2000. In addition, 123 regional governments thought that they would be able to meet the requirements to implement the services under the system as of April 2000. So, the matter of concern in this regard was divided more or less in half.
- One of the concerns expressed by regional governments was that they may encounter possible difficulties in the future in collecting the fees for the services rendered.
- A concern was raised as to how the system for assessment of level of care for the elderly could be determined and carried out in a fair manner.
- 81% of those interviewed thought that the care service insurance law(s) as acted in 1997 should be implemented as of April 2000.

On the question of whether or not the system should be a “tax” scheme or a “co-sharing” scheme, the answers varied depending on the regions and areas. In Tokyo (23 wards), 67% of regional governments and their units approved of the co-sharing scheme, as opposed to 6% favoring the tax scheme. The regions or areas with a population of more than 300,000 was 61% in favor of the co-sharing system. In small cities or towns, the percentage was 56% to 31% in terms of favoring the co-sharing scheme. One of the issues was regarding compensating, in cash, the extended family of the elderly for care services, and 7% of respondents were in favor.

The November 24<sup>th</sup> edition of Asahi Newspaper pointed out the following findings from its nationwide research and interviews conducted among the parties involved with care services insurance system. The following sums up the various reactions and remarks that caused the most concern about the care services insurance law(s):

- The system of the care services insurance law(s) was not clearly understood: 62%
- Whether or not it would be possible to collect the insurance premiums for care services as smoothly as the government had planned: 62%
- Whether or not the beneficiaries of the care services who are over the age of 65, defined as No. 1 category, would be able to support this scheme: 53%
- Whether or not the assessment procedure, by which the level of care services was to be determined, could be conducted with fairness: 51%
- Whether or not care services under the system could be maintained and applied with a sense of satisfaction: 42%
- How the operating entities of this system (regional governments) could cope with complaints raised by the beneficiaries of the system and be able to satisfy them: 33%
- The insufficient infrastructural care services facilities that are needed to meet the needs of the beneficiaries of the system: 33%
- Whether or not the services to be provided under the new system may be inferior to the old system: 29%
- The availability of a care plan manager to ensure the operation of care services insurance system functions as smoothly as it should: 1%
- Whether or not home visit care services may be insufficient under the new system: 13%
- The application procedure by which eligibility of care services could be carried out efficiently: 13%

The foregoing reactions and remarks were some of the major concerns expressed. It was pointed out that the accountability of political leadership was one of the highest concerns expressed; thus, the matter of trust and accountability of politicians was questioned in terms of how faithfully they would carry out the operation of this new system to meet the needs of the people.

The circle had made a full turn as the 21<sup>st</sup> century was approaching and the Japanese political picture began to change its power struggle. The Minister in charge of the Ministry of Health and Welfare changed from Mr. Koizumi to Mr. Niwa under the Obuchi cabinet, which was newly formed. Mr. Shizuka Kamei, who held the position of Chairman of the Policy and Planning Committee of the Liberal Democratic Party, which is the party in power in a coalition with the two other parties, was given an important role. This was done to avoid the possibility of calling for a new election because of the mounting moods that prevailed to

resolve the Diet to change the political structure to meet the needs of the nation. During that period, Japan was named as the host of the “Summit,” where politicians from the leading nations of the world were due to meet in Okinawa, located in the southern part of Japan. Mr. Hatoyama, the head of the leading opposition party (Japan Democratic Party), insisted on calling for the resolution of the Diet, and continued to press the Obuchi cabinet to call for a new general election. With this political situation, together with a difficult economic climate, it was concerned that the care services insurance law(s), enacted as a law(s), became one of the most controversial political issues. The issues were centered on the question of whether or not the newly enacted law(s) of care services insurance system could be maintained as a viable system due to an aggravated economic situation, which was affecting the financial situation of the government’s budgetary policy.

Asahi Newspaper continued to carry its special articles, which pointed out some of the issues relating to the newly enacted care service insurance law(s). It focused on four major points as the result of its research and findings, conducted on the nationwide basis. The four points which were considered to have the most concern are as follows:

1. Availability of qualified caregivers and other professional persons.
2. Whether or not the assessment procedures could be properly established as a system.
3. What would be the proper amount of fees for a member of the assessment team.
4. Whether or not regional governments could continue to financially assist the elderly who are in need of special assistance to supplement their financial conditions under the new system.

On question 1, it was found that only 60% of regional governments could make qualified care plan managers available, and 25% of regional governments thought that they might not meet the requirements. In some cases, one care plan manager was expected to look after 100 elderly. The findings indicated that if 100% of the qualified beneficiaries used the care services, the care services that could be made available by regional governments were only 30%.

On question 2, the task of assessment procedures for the level of care services needed being undertaken by regional government staff, 25% and 16% of regional governments stated that they would sub-contract to other professional organizations. The matter of disclosure of how the assessments were conducted and the results being open to the public was supported by a majority of regional governments.

On question 3, regarding the fees for the services to be provided as a member of the assessment team, medical doctors were at the top of the fee scale, which was as much as three times that of the fees to be paid to other professional persons on the assessment team.

On question 4, the issue of providing financial assistance to the elderly who need such assistance, 80% of regional governments had been extending assistance in some form to those who were classified as needing such financial assistance. The findings indicated that 20% of regional governments would continue to provide financial assistance as before, and 70% of regional governments were taking under consideration whether or not to provide the financial assistance under the new care service system.

Therefore, it was obvious from the findings that so-called regional discrepancies were one of the major issues, particularly for the national government to make the new system into a unified and universal system.

How experts, such as scholars and professional persons who are familiar with the issues in question, viewed the above-cited four points is summarized below:

- On question 1, it was pointed out that a majority of regional governments were behind schedule in meeting the policies that the Ministry of Health and Welfare outlined as the required guideline to provide the necessary supporting staff for care services to be provided under the proposed system. It was also pointed out that the educational system at Japanese universities and colleges did not provide clinical training as much as those academic institutions in other nations. This made it difficult to achieve the objective of the required and qualified number of care plan managers in such a short period of the time. Further improvements in this regard were pointed out.
- On question 2, it was noted that complete documentation and full disclosure of medical history should be made available at the time of assessment of the level of care services to be determined. Unless complete assessments are conducted to ensure the level of care services needed, there could be cases that could lead to fatal accidents of residents at care service institutional facilities after the elderly were admitted. It was further pointed out that some medical doctors and hospitals are held responsible for insufficient documentation of patients' medical records. This matter is to be further improved to avoid accidents which could be fatal to the residents.
- On question 3, there is the issue of how the community could establish an interactive supporting system among professional persons. It is the responsibility of the operating entity of the new system to ensure that the fees for members of the assessment team are properly determined.
- On question 4, this is the matter that not only regional governments but also the communities are responsible for developing healthy and collaborative environments to maximize the productivity of supporting the system. In view of the national government's policies in the recent year to give more autonomous powers and authorities to regional governments to manage their governmental policies to meet the requirements of each region, regional governments should uphold the spirit of "decentralization movements."

In responding to these issues cited above, Mr. Niwa, the Minister in charge of the Ministry of Health and Welfare, made his comments by citing, "Since it would be

less than five months away from the date of implementation of the care services insurance law(s), it is appropriate to take note that there are still a number of the issues yet resolved, as has been expressed as a matter of concern by many regional governments. And the national government would do its best to further enhance the new system through the continuous effort of improving it.” Mr. Niwa stated further that it was to be evaluated with a favorable assessment concerning the policies that the national government implemented by introducing a “waiver period” of not collecting the premium for the first six months, and further implementation of various merit systems, such as the policy of reducing a certain tax for those who are in need of financial assistance. Commenting on the issue of whether or not the new system is in the form of a “tax” or “co-sharing” scheme, the Minister in charge thought that the scheme based on co-sharing is a right choice. He concluded his remarks by saying that Japan’s social policy is now going in the right direction, which is based on a “co-sharing” insurance scheme, and it will uphold and sustain the system to be properly in place for the years to come.

As has been cited in this chapter, the points at issue and the focal points on the newly enacted care services insurance law(s) began to be affected by the ongoing situation of instability in the area of political, economic, and social problems which were increasingly becoming a matter of grave concern among the people at large. In retrospect, it may be noted that the newly enacted care services insurance system was regarded as “the law(s) not completely meeting the needs and demands of the people at large.” This was due to a number of issues omitted in the context of the law(s) during the deliberations at the Ministerial Commission’s session and the subcommittee at the Diet, and the final deliberations of the proposed law(s) at various committees of the Diet and the general assembly of the Diet, which was responsible for giving more time to discuss and deliberate the proposed law(s) to make it a more complete context as a solid law(s). It was obvious that the law(s) proposed to be enacted was passed through the House of Representatives in the Diet with many conditional stipulations requiring further reviews and amendments to the original law which is now being implemented.

The first round of review is now being conducted, and the Ministerial Commission’s Recommendations to the Minister in charge has included some changes on the matter of the amount of the premium and some fees for care plan managers. The second round of review will begin as of April 2003, and the three major issues regarded as core for discussions and deliberations both at various committees at Diet are as follows: (1) Who would be responsible to pay the premium in terms of the age of future beneficiaries of the care services? In other words, at what age must the premium start being paid? (Currently, it is mandatory to start paying the premium at the age of 40.) (2) What would be the categories for the beneficiaries of the care services? (3) What would be the quality and quantity of the care services, and would there be a clearly defined level of care services to be provided? These three core issues cannot be isolated from other relevant issues, such as medical insurance scheme, pension scheme, possibility of increased sales tax, and other pending issues which could have a great impact on the outcome of how the process of the second round of reviews of the system is put in place. It may not be an overstatement to say that “we are still in uncharted waters regarding the future course of how the care services system for the elderly is going to be shaped.”

V. THE PROCESS OF MAKING THE CARE SERVICES INSURANCE SYSTEM TO BE ENACTED AS LAW(S)—THE MIDDLE STAGE

On February 9, 2000, the director general of the Ministry of Health and Welfare, Mr. Yoshiharu Ohotsuka, and the director in charge of the office of preparation for the care service system were invited to be special speakers at the an organization called Study Group on the Issue of the Aged, held in Tokyo. They were to present the Ministerial plans and policies designed to move on its effort to enact the system in question into law(s). The Study Group has been conducting a series of lectures on Japan's Social and Welfare Policy, with each respective issue being presented for discussion, which were hosted by the former Minister of Health and Welfare. The invited speakers presented the Ministerial policies and plans on the development of further programs and schedules leading to the system being enacted as the law(s). According to their presentation, the Ministry of Health and Welfare did embark upon an initial study team by laying out the blueprint for the system now in place as the law(s). The study team started its task by forming and establishing the Office of Promoting Measures to Deal with the Aged, and was assigned to lay out the fundamental policies and plans which were placed in the Policy Planning Section of the Ministerial Secretarial Office of the Ministry in April 1994. This section was to become the Office of Preparatory and Promotion of Care Services Insurance System in December 1997, which was relocated to the Bureau of Social and Welfare for the Elderly. When the care services insurance law(s) was implemented as of April 2000, the Bureau of Social and Welfare for the Elderly consolidated all of the offices established earlier in the Bureau and created a section called Care Services for the Elderly. The Bureau was newly named as the Bureau of the Elderly and Welfare, undertaking the process of reviewing the required issues as attached as the conditional stipulations to the law(s) enacted in 1977 at the Diet.

According to the Ministerial documents released at the presentation and discussion session hosted by the former Minister of Health and Welfare, the Ministry cited the schedule from the enactment of the law(s) to the time of the implementation of the law(s), which was to take place in April 2000. The Ministry announced its new policies and programs to further enhance the context of the law(s) for a more effective and smoother implementation of the law(s) by deploying what is called Gold Plan 21. This plan was considered to be the latest grand design to implement many new programs and improve the law(s) further to ensure the quality of care services for the elderly under the new system. The Gold Plan 21 provided a number of planned policies and programs, including an increase in the budget to meet the requirements which had been voiced by regional governments and other interested parties involved. (For details of The Gold Plan 21, see the Japanese version.)

Although continuing criticisms, reviews, and recommendations had been voiced by scholars, professional organizations, civic groups, and even some regional governments concerning the policies and programs as laid out in The Gold Plan 21, it is fair to say that the Ministry of Health and Welfare succeeded in implementing many programs with the aim of improving the implementation of the law(s). Now that the review of the context of the enacted law(s), as a conditional stipulation attached to the enacted law(s), is underway, it may be interesting to touch on some of the policies that were put in motion for implementation as defined in The Gold Plan, which was developed before

implementation of the law(s) as measures to enhance the implementation of the law(s) from April 2000 and for further reviews thereafter.

VI. VARIOUS POLICIES AND MEASURES ADOPTED BY THE MINISTRY OF HEALTH AND WELFARE FOR FURTHER ENHANCEMENT OF THE CARE SERVICE INSURANCE SYSTEM: THE MINISTERIAL POLICIES AND STRATEGIES FOR EFFECTIVE IMPLEMENTATION OF THE LAW(S) ENACTED IN 1997 AND HOW TO COPE WITH THE TASK OF REVIEWING THE ISSUES ATTACHED TO THE LAW(S) AS CONDITIONAL STIPULATIONS

On December 14, 2000, the former director in charge of policy planning at the Bureau of the Elderly and Welfare of the Ministry, Mr. Hideki Tarumi, and who is now serving in the capacity of director of the Office of Spokesman at the Ministerial Secretariat Office of the Ministry, cited the following policies and plans which were presented at one of the lectures he presented to the public. His presentation was titled “The Current Status of How Care Services Are Being Used Under the Care Services System and Other Issues At Hand,” and is summarized as follows:

In his opening remarks, Mr. Tarumi touched on the subject of the current status of care services being used under the system, which are under the heading of the changes taking place for in-home services prior to the implementation of the system and thereafter, and the statistical record of how the services are increased. He elaborated further by citing each of the following points:

1. The current status of the care services being used as assessed for in-home services.
  - Designated cities, towns, and villages where care services are being used as assessed in terms of the level of care needed.
  - Family structure and the degree of the care services being used with the assessed level of care services determined.
  - Relative relationship of the level of care services, vis-à-vis percentage of the services used.
2. The recent status of how the fees for care services are being paid by the beneficiaries of the system.
3. Under implementation of the care service insurance system, how in-home services are being used, what type of elderly is using in-home services, and the impact on their families.
  - The operational status of the providers of care services under the system.

4. Private sectors' participation in in-home care services.
5. The criteria that are used in selecting providers of care services.

The foregoing themes are a broad context of Mr. Tarumi's presentation. He elaborated further on the Ministerial policies and findings to show the status of the system and how it is being used. Mr. Tarumi made his presentation with some documented papers and materials at a symposium held in Nagoya on May 19, 2000. In his opening remarks, Mr. Tarumi stated that "the care service insurance system is functioning as it was envisioned due to the cooperation of regional governments and other entities involved in this system." He elaborated by citing statistical data as cited below:

1. The number of elderly needing care services under the system and the number of elderly using care services.
  - (1) Current statistical data
    - a. Eligible persons who have subscribed to the care services insurance.
      - No.#1 category: 65 years of age or older – 230,000 persons (as of February 2002, predicted)
      - No. #2 category: 40 to 64 years of age – 425,000 persons (as of 2002, predicted)
    - b. The number of elderly who are being assessed for requiring some kind of assistance or care services – 294,000 persons (2002). Of this figure, 283 persons are above the age of 25, which accounts for 12.3% of those already subscribing to the care services insurance.
      - Assistance needed: 380,000 persons
      - Level of care (1) needed: 860,000 persons
      - Level of care (2) needed: 550,000 persons
      - Level of care (3) needed: 380,000 persons
      - Level of care (4) needed: 380,000 persons
      - Level of care (5) needed: 370,000 persons
    - c. The number of persons using the various types of institutional care facilities
      - In-home care services – 1,630,000 persons
      - Those who are admitted to the various institutional care facilities – 670,000 persons (a special nursing

home – 320,000 persons, health facilities for the elderly – 240,000 persons)

- Medical nursing facilities – 110,000 persons

(Above statistical data is based on the date of February, 2002. Note: It is based on the services rendered in December, 2001.)

- (2) The recent statistical information concerning the number of care services being used. According to the findings conducted by regional governments, the average increase of services being used is 30% to 50%.

2. Recent data showing the use of services

- (1) Comparative numbers before the system was implemented and thereafter.

- a. Number of care services used which is based on the average figures on the nation-wide basis:

- Increase is clearly eminent after the implementation of the care system.

	<b>1999 (Monthly basis: 1)</b>	<b>November 2000 (Monthly basis: 2)</b>	<b>February 2001 (Monthly basis: 2)</b>
Home visit nursing cares:	3,500,000 times	5,390,000 times (52% increase)	7,430,000 times (110% increase)
Day services cares:	2,500,000 times	3,400,000 times (36% increase)	4,377,000 times (75% increase)

- (2) On an individual basis, changing trends for using the care services are shown hereunder, with approximately 70% of persons increasing the use of the care services.

<b>Those Who Increased</b>	<b>Those Who Maintained the Same Level</b>	<b>Those Who Reduced</b>
67.5%	14.8%	17.7%

From the foregoing statistical data, Mr. Tarumi stated that the care service insurance system is going on as the government had envisioned. He also stated that the system is working at almost 100%.

3. How the Ministry is advancing its elaborated policies and measures to enhance the system to be more in line with what the Ministry envisioned.

(1) Some of the issues which have been raised after implementation of the law(s)

- Home visit care: A clear definition of what care services are included is established and understood.
- Short stays at institutional care service facilities: The fees are to be universally defined across the nation.
- Assessment procedures(persons with dementia): That further reviews be conducted to meet the needs of the elderly and recommendations on how to conduct the fact-finding investigations and analysis to see how it could be improved.

(2) For the enhancement of the system and the upgrading of quality of care services

- For more intensive measures to be deployed to cope with persons with dementia, and a research institute to be established to further study the preventive measures for dementia and how it affects persons both medically and socially.
- A so-called unit care system to be deployed at a special nursing home to enhance the quality of care services, with the recommendation that each resident has a private room.
- A review system for care services is to be deployed: Third-party evaluation methods to be instituted to ensure the fair evaluation of the services rendered. At the group home, it is recommended to deploy a system of self-evaluation to discover if the care services are satisfactory.
- Measures to be adopted to provide a more affordable system whereby the elderly could use rental services for household goods to meet their requirements. Home improvement services to be in place to make the elderly comfortable and safe in their homes.
- A non-physical binding policy to be forcefully adopted to respect the dignity of the elderly

- (3) The expansion of infrastructural care facilities with quality environments so more of these facilities will be available
- In line with The Gold Plan 21, institutional care facilities to be made available to meet the demands.
  - Promotion of a private room for all residents at institutional care facilities with a method and system of unit-care approach. A newly introduced “new type special nursing home” would qualify providers of care services for the elderly to charge an additional fee to cover the extra cost of a private room and unit-care system.
  - As far as care house, it should be deregulated to open the market to private corporations to participate as providers of the service there. “PFI” method, which is a joint project with the public and private sectors, should be encouraged to provide quality oriented institutional care facilities.

On the matter of developing care services insurance system, the Ministry will be instructing each regional government, which include cities, towns, and village, to come up with their annual and mid-term business plans based on their findings, research, and analysis. The data will be collected from local government units and are to be submitted to the Ministry in charge to lay out the prevailing issues, problems, and their own plans that could be reflected on the Ministry’s basic policies. These policies are to be developed with the budgetary requirements to support regional governments, who are the operating entities of the system under the scheme. These business plans are an essential part of the data and information in determining the requirements of further expansion and enhancement of institutional care facilities, and to decide what would be the proper amount of the premium. Each regional government must sustain the system in a healthy and functioning manner so that it provides adequate care services, with the inclusion of their unique policies, which could be implemented at their choice for the care services to meet local needs. It should be pointed out that the plans containing the various issues and required improvements in respective regional areas and locations will be assessed every three years, and that the review for the insurance premium is the same.

The schedule which was designed to enhance the substance of the law(s) and its operating policies by regional governments were called for in the form of cooperation between the national governmental ministry and regional governments. The following schedule was developed to ensure the implementation of the ongoing system:

- Within the year 2001, the report concerning the data of predicted use of the care service system by the elderly in each region is to be worked out.
- At or around in April 2002, the committee, which each regional government must establish, is to ascertain the procedures as to how to conduct and develop the business plan for the care service system to be carried out at each region and locality.

- By June 2002, the mid-term report is to be ready for submission.
- By October 2002, each regional government is to complete the report pertaining to the estimated number of services that must be made available, which is based on the findings of how many potential persons may require the care services.
- By December 2002, the Ministry was scheduled to make public the contents of the reports received from each regional government and, thereafter, the review of The Gold Plan 21 would be carried out.

On the matter of the role and responsibility of regional governments, the Ministry's guideline policies are focused on the review of the business plan that regional governments are responsible for, and which will reflect in their final business plans. The points emphasized were as follows:

- Based on the findings of each regional government, including the estimated number of elderly intending to use the care services immediately or in the near future, must be realistic enough to submit the plans. These plans must contain clear policies and measures determined by regional governments to make the system as viable as possible.
- It should reflect the voice of the residents of each region and locality.
- It should clearly delineate appropriate assessment techniques to determine the infrastructural care facilities needed to meet the demands, should elaborate in detail the policies and measures taken to provide in-home care services.
- It should spell out what kind of measures are to be taken to adapt preventive measures to sustain the ability of the elderly to be independent.
- Provide regional government with policies and measures to be taken to implement a comprehensive policy for properly putting the system in place.
- Submit the policies and measures to be taken, or preventive methods, for the elderly when they become frail.
- Submit a report spelling out in detail how the care services can have a long endurance and be quality oriented.
- Submit regional governments' philosophies and visions to act as an operating entity for the care service insurance system, which must be in line with the policies of the national government.

On the issue of reviewing the existing care service insurance system, Mr. Hideki Tarumi presented the Ministry's plans, which were described in the following schedule:

- From October 2001, the sub-committee of the Ministerial Commission on Social and Welfare Policy, which is responsible for dealing with the issue of

the premium and service fees under the system, would commence its discussions and deliberations to decide what would be adequate amounts to recommend to the Minister in charge.

- It was scheduled to commence its first round of discussions and deliberations in March 2002.
- In April 2000, it was scheduled to hold hearings from the various organizations and entities which have vested interests in these matters. It was also scheduled to conduct a fact-finding mission to determine the actual state of management and operation of the providers of care services to see how each business is assessed in terms of its operational picture, such as profit and loss situations.
- In July 2002, the Ministerial Commission will discuss and deliberate what would be an adequate range of the premium. This amount could be determined before the due date for deciding on a change in the premium, which is by the end of March 2003.
- In the Fall of 2002, intensive discussions and deliberations concerning the amounts of the premium and the fees for the providers of care services will be conducted to establish a reasonable and appropriate range of amounts. This range of amounts will serve as the basis for changing of the law(s) by the end of March 2003.
- In January 2003, the Minister in charge will request the Ministerial Commission to submit its recommendations which should be reflected in the conditional stipulations attached to the original law(s) which are now in force. The Ministerial Commission is scheduled to submit the Commission's recommendation to the Minister in charge.
- In April 2003, the new premium and the fees for care services under the system will be amended.

As has been noted from the foregoing schedule, the Ministry of Health, Labor, and Welfare has paved the way for the amendment of the law(s) now in force, and the proposed amendments bill is now on the floor of the Diet for further discussions and deliberations among the political parties. (Note: Old Ministry of Health and Welfare and Old Ministry of Labor was forced to merge as part of the restructuring policies of the national government's political platform in the last election campaign. The new name of the ministry is named as the Ministry of Health, Labor, and Welfare, which was officially consolidated as the current Ministry as of January 6, 2001.)

Simultaneously, the Minister of Health, Labor, and Welfare, headed by the Bureau of the Elderly and Social Welfare, continued to conduct various meetings, including the national meeting which will be attended by the director in charge of the care services system from each prefecture's governments (equivalent to states in the United States). At the meeting, the Bureau in charge in the Ministry not only reported to the representatives of regional governments concerning the policies of the Ministry on certain issues, but also encouraged regional governments to collaborate with the Ministry in its effort to unify and

uphold, in a cohesive way, the policies and measures being developed and deployed by the Ministry. The making of a law(s), either in the originally envisioned form or in a compromised form, is one of the most complicated and energy-consuming processes. In Japan, implementation of a law(s) is another difficult task because of the fact that a law(s) such as Care Services Insurance Law(s) is not clearly defined in its context, which leaves plenty of room for interpretation. Implementation of a law(s) is more complicated in Japan's governmental and political system because of directions and guidance which are issued in the Ministerial Codes. Notification by the person in charge of a certain section or bureau of the Ministry, as well as guidelines which are passed on to regional governments verbally, more or less takes the form of a "silent gentlemen's agreement" which are in some cases as strong as what a law(s) specifies.

The National Care Services Insurance Law which was enacted in 1997, the implementation of which commenced as of April 2000, is no different from other laws which are difficult to read because they are so vaguely written in certain clauses and sections. Consequently, it may be appropriate to focus on the historical perspective of how various laws concerning the elderly, including the Older Americans Act, together with its recent amendments and other relevant laws, were enacted, and the process that was required for enactment. A brief description of how related laws for the elderly and relevant laws pertaining to the operation of institutional care services facilities such as nursing homes are how being regulated may be interesting. A comparative analysis of how laws are made in Japan versus the United States will be dealt with later in this chapter.

VII. THE MINISTERIAL COMMISSION ON SOCIAL AND WELFARE POLICY'S DISCUSSIONS AND DELIBERATIONS ON THE ISSUES AS ATTACHED TO THE ORIGINAL LAW(S) AS CONDITIONAL STIPULATIONS, AND THE REACTIONS AND REMARKS EXPRESSED BY THE VARIOUS PARTIES CONCERNED

On January 20, 2003, the sub-committee of the Ministerial Commission on Social and Welfare Policy, which is responsible for discussions and deliberations regarding how the fees for care services should be reviewed, conducted its final meeting. The sub-committee decided the revised amounts for the fees for care services were to be reflected in the amendments to the current law(s). The Commission's recommendations included a reduction of the fees to be applied to special nursing home and health facilities for the elderly by 4.2%, and home visit nursing by 2.3%. The Ministry of Health, Labor, and Welfare viewed these revised fees as reasonable enough to be understood by the beneficiaries of the system because of some additions to the fees in certain categories of the care services, such as home help services which increased the fees by 26%. The fees for care plan manager were raised by an average of 17%. The other categories of services which were reduced included day services rehabilitation by 3.8%, short stay by 3.3% and medical nursing care by 3.2%. Care services associated with institutional care facilities were reduced because the Ministry has decided to place priority on in-home care services rather than relying on institutional care facilities.

By revising fees, to be reflected on the proposed amendments to the current law(s), some changes in certain categories of services are interesting to note. For instance, special nursing homes faced a drastic change in the services fees, which will be reduced by an average of 4.2%. As far as the premium for care services insurance for those who are between the ages of 40 and 64, the monthly amounts they have to pay has now been changed to be \3,043 which will be reviewed every three years. This is the policy that the Ministry has adopted, but it will be flexible in setting the premium at an appropriate amount.

VIII. THE PROCESS OF REVIEWING THE AMENDMENTS TO THE CARE SERVICES INSURANCE LAW(S): REACTIONS, REMARKS, AND RECOMMENDATIONS EXPRESSED AMONG POLITICAL PARTIES, THE MINISTERIAL COMMISSIONS, VARIOUS ORGANIZATIONS ASSOCIATED WITH CARE SERVICES FOR THE ELDERLY, AND THE PEOPLE AT LARGE

Now that the Ministerial Commission has submitted its recommendations pertaining to the number of points which will be reflected in the proposed amendments to the current law(s) that should be completed by the end of March 2003, the Ministry of Health, Labor, and Welfare has moved on to implement various measures to pave the way for implementation of the revised law(s) as of April, 2003. It will be promoted in line with The Gold Plan 21, but there are a number of opinions, criticisms, views, and recommendations that have been expressed by various sectors which have vested interests in this regard. Some of the points being raised are listed below:

- The newly introduced special nursing home is said to be an additional cost to the beneficiaries of the care services system because the cost of the room is to be added to the fees.
- Introduction of a private room at the special nursing home is a step in the right direction by enabling residents of institutional care facilities to have more privacy.
- However, putting residents in private rooms in institutional care facilities will increase the ratio of residents to caregivers from 3 to 1 to 2 to 1, which will increase operational costs of institutional care facilities.
- More community support infrastructure should be provided to promote a comprehensive care support system rather than relying on institutional care facilities and visiting in-home care services.
- The newly introduced Special Nursing Home, which will provide a private room for each resident, will be an additional cost to the resident, as it is going to be charged at least \50,000 monthly.

With regard to the newly introduced special nursing home, the opinions and views were sharply divided, and the pros and cons are as follow:

The pros:

- The newly introduced care facilities will provide more privacy for the residents.
- Application of a so-called unit-care system will ensure quality oriented care services because residents are to be clustered close together, thus caregivers would be able to give more attention to the residents.
- The philosophy of providing a good social and welfare policy is to adopt such living and care environments.

The cons:

- Institutional facilities may face operational financial strains unless appropriate compensations in the form of fees for additional services are applied.
- The assertion that the unit-care system will result in a reduction of accidents involving residents is premature and unfounded.
- Additional costs to residents may reduce the admission of the elderly to institutional facilities.
- The small-group care method may cause trouble in human relations among residents unless a proper management system of keeping residents living together amicably is established.
- The care under the newly introduced method would require more comprehensive care skills, including the knowledge of applying clinical psychology.

Because the Ministry is now shifting its policies in how to provide the best care for the elderly, one of the options which is being encouraged is to invite for-profit corporations to provide services in the area of group homes, which are relatively less regulated compared to other types of facilities. Their profit-oriented services for the elderly are said to be without the spirit of genuine care services. Some for-profit corporations are taking advantage of this situation in order to eliminate the so-called “non-performing assets” that they wanted to utilize. The Ministry is aware of this negative situation and is now trying to implement some measures to correct it. Therefore, it is being urged that the Ministry move faster and define more clearly the correct guidelines, in writing, to avoid this bad situation from developing any further.

Some regional and local governments have been openly defying the policies of the Ministry, and some civic groups have been working together with regional governments in an effort to reflect their policies and views. One example of this is Musashi City in Tokyo. The city’s mayor has been the champion and preacher of promoting their program of so-called regional autonomy in terms of deciding how care services are to be provided by giving due consideration to the uniqueness of the regions and localities that dictate to adapt their own best scheme. The Ministry has implemented a flexible policy in applying certain

measures whereby some funding is provided to regional governments where the ratio of the elderly is much higher than in the total population. Conversely, the Ministry applied to reduce funding to regional governments where the ratio of the elderly to the total population is lower. It is, therefore, suggested that regional governments be given more autonomous power to implement their own policies in their care services plan, which may be not in line with that of the Ministry. From a domestic political point of view, the issue of “decentralization movements,” which is to take away the vested authorities from the central government and its ministries and hand over the powers to regional governments, is now emerging in the area of social and welfare policies. In this sense, the process of reviewing the current law(s) through the proposed amendments to the existing law(s) will continue to draw many counterproposals from regional governments for years to come.

The percentage of the budget allocated to social and welfare programs may indicate to what degree the government’s policies are focused on these programs. In Japan, as of 2000, 20.5% of the total income earned by the nation’s population was allocated to social and welfare programs, of which 65% was allocated to programs associated with medical programs for the elderly, care services for the elderly, and other related programs. From a fiscal point of view, it is not unreasonable that the arguments concerning the basis for the care service insurance system was centered on a “tax” versus a “co-sharing” scheme. This issue sharply divided the nation when the care service insurance system was drafted for the eventual enactment as the law(s). As has been noted, the Ministry of Health, Labor, and Welfare has kept an aggressive campaign to move further to enhance the law(s) by implementing the various points yet to be reflected in the current law(s).

It is interesting to discover, from the minutes of the meetings, how the various issues have been discussed and deliberated at the Ministerial Commission on Japan’s Social and Welfare Policy, in particular, the minutes dealing with care services insurance law(s). Unlike the United States, drafts of various kinds of laws came from the works of bureaucrats of the central ministries. The Ministry’s bureaucrats promote their plans and platforms in consultation with leading members of specific committees at Diet. This is done to gain their support and sometimes to reflect their line of thinking in order to obtain their support in the process of developing the refined drafts. These refined drafts will be made available for discussions and deliberations at Diet’s committee to make the proposed bill public. Then comes the task of further consultations with political leaders, academic persons, professional experts, regional governments, and other interested groups and organizations to discover potential issues that may hinder the enactment of the proposed bill. In a nutshell, the making of laws in Japan is being shaped and carried out by the bureaucrats at the central ministries, with some pressure group in political parties playing certain important roles.

It is further noted that the process of making laws in Japan uses a certain methodology which is more or less a matter of ceremony. There must be discussions and deliberations by the Ministerial-appointed Commission. The Minister in charge asks for their deliberations of issues to be refined and improved in order to impress on political parties and other interested groups and organizations that the proposed bill and issues to be studied and judged by the

ministry's bureaucrats are fairly assessed. The Commission's final recommendations will be handed to the Minister in charge so that the Ministry will be in a position to justify that the proposed bill reflects the views and opinions of so-called experts on the subjects and issues of the bill that will be shaped into law. It is essential to enact the fundamental law, such as the Older Americans Act, in the United States and set the basis for the spirit of the law and when the need arises. It could cope with enactment of amendments from time to time to meet the needs of the current period.

IX. THE NATIONWIDE FINDINGS OF ASAHI NEWSPAPER ON THE PROCESS OF REVIEWING AMENDMENTS TO THE CURRENT CARE SERVICES INSURANCE LAW(S), AND SELECTED FINDINGS AND INTERVIEWS WITH SOME REGIONAL GOVERNMENTS AND INSTITUTIONAL CARE SERVICE FACILITIES: THE ISSUES AND FOCAL POINTS BEING EXPRESSED

1. Overview

According to the findings conducted by Asahi Newspaper, which were cited in a special issue on January 29, 2003, regional governments have decided to raise the premium for the care services insurance for those persons over 65 years of age to 84%, which is a 15% increase from the current rate. It is estimated to be an average of ¥3,360. This suggests that in-home services, which the Ministry wanted to broaden, are not moving as fast as it had hoped for. 84% of regional government will raise the rate of the premium, 3% of regional government stated that it will raise the rate even though no specific amount has been decided, 7% of regional government is considering reducing the rate, and 9% of regional governments said that it will stay at the same rate. The majority of regional governments which have decided to increase the rate stated that it will be raised by 10% to 20%, with 15% of regional governments stating it will be raised more than 30%. In terms of the population of the regions and localities, 30% of those regional and local governments whose populations are less than a half million stated that they will raise the premium by 30%, regional and local governments with a population of between 100,000 and 300,000 will raise the premium by 9%, and regional and local governments with a population of over 300,000 will raise the premium by 9%. The reasons given for the higher premium are as follows:

- 39% of regional and local governments stated that care services at institutional care facilities will be used more.
- 33% stated that more elderly will be assessed to be in need of care services.
- 22% stated that in-home care services will grow.

It was stated in general that institutional care services will continue to grow. There was a concern expressed that some of the beneficiaries of the system may not be able to pay the premium, and that some measures should be deployed to financially assist those persons who could not afford the

premium. It was further suggested that the starting point of paying the premium be lowered from the current age of 40 years to 20 years in order to ensure the viability of the system. It is obvious from these findings that there are many concerns yet to be resolved to uphold this system, particularly in an area where the composition of the aged population is unusually high, which would make it difficult to sustain a healthy system.

Some of the specific factors which were cited are as follows:

- Demands for admission to special nursing homes is increasing.
- Elderly persons who lived and worked in major metropolitan areas while they were active and of working age are now returning to the rural area where they were born. There is a strong need to set up institutional facilities in rural settings, however it would be difficult for small towns to financially meet the requirements.
- Because of the merging of various small towns and villages to consolidate their governmental units, which the central government has been promoting, these small-sized regional and local government units are now less cooperative regarding enhancing the infrastructural care facilities. This is because they are worried that one of the outcomes of the merger could be that the units may not work well together.
- Profit-oriented corporations, which are now engaging in care services in the area of group homes and other types of care facilities, are becoming a burden to regional and local governments. This is due to the fact that under the current law(s) regional and local governments must provide financial assistance to the operating entity of care service facilities.

Asahi Newspaper issued a special report in its regional editions. For instance, some of the issues and points regarding the current care services situation were analyzed locally. The case of Ishikawa Prefecture was cited in a series of a special reports in their local edition starting January 29, 2003. The findings are briefly summarized as follow:

- In spite of the policy of the central government for the adaptation and implementations of “decentralization movements,” it is stated by the mayor of the town of Hatasaku in Ishikawa Prefecture that on a formality basis, regional governments are given a free hand, to some degree, in implementing its own policies and plans. It is almost impossible to execute and implement policies of its own freely as long as the budgetary matters are under the control of the central government. It was urged that a no-strings-attached allocation of funding be made available to the regional government, so that unique policies could be developed and implemented to meet the requirements of the given regions or localities.

- Most regional and local governments are faced with difficult financial situations, with some of them having serious trouble in paying back moneys that had been raised in the form of bonds a long time ago.
- On the question of the merging of small-sized cities and towns to make a larger regional government unit, it is doubtful that this would contribute to enhanced infrastructural care services facilities because of conflicts of interests among the old local units, which may continue to remain for a long time.
- The head of regional and local governmental units (16 mayors) stated that 90% of them felt that the elderly and their families prefer the elderly to be admitted to institutional care facilities rather than to in-home care services.
- Some mayors stated that the system for care services should be based on a “tax” scheme because the current system is destroying the old traditional family system, which was inherited socially and culturally. Ongoing conflicts are emerging as to who is responsible for taking care of parents when they become in need of care services.
- On the matter of providing care services to the elderly who need them, it is important to study in depth how care services have been provided in the past, based on heritage, culture, and customs prevailing in certain regions and areas. The bureaucratic approach to this matter should be reconsidered.

Asahi Newspaper’s findings suggest that there are many conflicting views and opinions among the regions and localities, and their governmental units. Therefore, it crucial that the process of review and amendments to the current law(s) must be carried out with more comprehensive approaches to heed the attention of the regions and localities. Otherwise, what the government envisioned for the system, which is to develop it as a universal system, may create further division among the parties concerned.

## 2. The Interviews

The interviews with the selected prefecture governments and institutional care facilities in its regions and localities concerning the process of reviewing the issues raised and developing amendments to the current law(s) were conducted in question-and-answer manner. Interviews were conducted with Tokyo Metropolitan Government, Hokkaido Government, Ishikawa Prefecture, Akita Prefecture, Totsutori Prefecture, and some local governmental units in the greater metropolitan areas and institutional facilities in their regions.

(Note: Q = question asked by the writer; A = answers given by the officials.)

(1) Ms. Mieko Morita, Deputy Director, Division of Long Life and Social Welfare, Ishikawa Prefecture – (November 12, 2002 and thereafter, and via telephone)

Q. In retrospective way, would you comment on the pros and cons of the current care services insurance system after it has been tested for the nearly three years.

A. Frankly, my assessment of the system in place is almost 100% better than what I thought. It should be noted that there is a 50% increase of those who are on the waiting list to be admitted to institutional care facilities. In our region and locality, it was considered that the elderly be looked after by their families; thus, it may be that great changes are taking place in breaking away from the old heritage, cultures, and customs. Particularly in Ishikawa, the region is regarded as an “inbreeding society,” and the breakthrough from that system is opening a new page in our society for a new concept for care services for the elderly.

Q. What is the best merit, in your opinion, about the current system?

A. I think that the implemented system helped draw a line between medically oriented care services and genuine care services, which contributed in reducing unnecessary medical costs for the elderly. The introduction of the new unit-care system and group homes is adding merit to care services.

Q. What is your view of physical binding in relation to the accidents of residents?

A. We are encouraging the adoption of the policy of no physical binding of residents, and preventive measures to be deployed against accidents should be a matter for the providers of care services.

Q. We are now going through the process of reviewing the fees for services and also the amount of the premium. What is your line of thinking in these matters?

A. Our prefecture encouraged that the infrastructural arrangement be in place to meet the demands of the elderly for care services. It may be that some institutional facilities may face difficulties because the competition is becoming very keen in choosing care services for the elderly by their families.

- Q. What is the situation on the waiting list of the elderly wishing to be admitted to institutional care facilities?
- A. The findings we have conducted on this matter are documented in these reports. It may be in order to tell you that there are approximately 25,495 elderly who have registered as applicants, but each elderly is applying to be admitted to facilities on multiple applications. In other words, each elderly is applying to different facilities, which is figured to be 2.6 locations.
- Q. I understood that Ishikawa Prefecture is being ranked as one of the highest as far as the amount of the premium is concerned as set forth. Would that have an effect on business here in the region?
- A. Yes, that is a big question.
- Q. I understood that wages for caregivers and other professional persons are rather higher compared to some of the regions. Is there any effect by this?
- A. Yes, the majority of facilities are concentrated in the city of Kanazawa and other large cities and towns, and there are many hospital and medical clinics here in Ishikawa Prefecture, where the salary and wages are comparatively higher. Living costs are also higher.
- Q. Is it fair to say that institutional facilities may be facing difficult operating and business situations?
- A. My understanding is that some are doing well and others are not doing well.
- Q. As you know, the Ministry is encouraging the development of more intensive and comprehensive programs to enhance in-home care services. To achieve the goals that the Ministry has set forth requires a community support system to maximize the necessary support networks like what exists in the United States. What is your thought about this for Ishikawa?
- A. I agree that it is important to pay more attention to this matter, and the formation of efficient and productive volunteers groups may be needed.
- Q. What are the most unique policies that Ishikawa Prefecture has adopted for the betterment and upgrading of care services?

A. We have developed and implemented our own program, which is to provide day care services from early morning to late evening with our own funding. The Ministry will follow our policy, which will be reflected in the revised law(s).

Q. Who is most receptive and knowledgeable about care services for the elderly among the members of the Prefecture's Assembly?

A. I understood that Mr. Nakatani is the one.

Q. Do you think that politicians who are eager to support the betterment of care services for the elderly can get support at the time of election?

A. -----?

Q. I intend to study these valuable reports and papers, and will get back to you for further questions. Through your introduction, I have had the opportunity to interview Mr. Iwata of the facility in Komatsu the other day, and I am very impressed by his management visions and philosophy upon which he operates his facilities. Mr. Iwata stated that it is most important for his staff to change their thinking habits from the old days before the care services insurance system is implemented. He said that it is a change from government-oriented care services to a professionally-oriented and business-oriented approach because of the competition among the providers of the services.

A. I agree with him.

Q. However, there are still some regional governments which maintain the old way of doing their duties and responsibilities.

A. Together with guidance from the Ministry, we will be educating ourselves.

Q. Once again, thank you for your kind cooperation in spending the time, and for the most valuable information that you have provided.

Commenting on the policies, views, and opinions that Ishikawa Prefecture takes on the current system for care services and its review process of the issues in question, the writer then studied the documents and reports provided. She thought that there was a certain limit that still exists to develop their own unique policies, as they must conform to the fundamental policies that

the Ministry has laid out. However, they have developed their own programs called “Ishikawa’s Challenge for Better Health,” under which the following programs are included: (1) Promote programs to enhance better nutrition, active life, sports activities, enhanced soundness of mind; deploy measures to cope with dementia and preventive care, (2) Education, (3) Ishikawa’s unique programs to be developed and implemented, (4) Enhancement of community interactive supporting networks. Whether or not Ishikawa could become the preacher of the deployment of its own unique policies will depend on the leadership in Ishikawa government and the governor’s role in leading the prefecture. But, above all, the people is the key to the success of social and welfare programs.

(2) Mr. Hiroshi Iwata, General Manager, Chouju Enn Special Nursing Home, Komatsu, Ishikawa – (November 4, 2002)

Q. Now that the care services system has changed from a government-oriented operation to that of choice by the user of the facilities, what are the merits under this new system and what are the demerits?

A. Our facilities were established many years ago under one of the old religious organizations. Under the old system, the regional government and the central government were in a position to decide who should be admitted to the facilities; it is now the choice of the elderly. When I was invited to manage the operation of these facilities some years ago, I discovered that the staff working here were in a different mood and style in terms of their working attitude. They were simply working as were told by the regional government in line with the policies laid out. Under the new system, we have to be very competitive in operating these facilities, so I had to change their working pattern and tried to make them understand that we are competing with other facilities to do better with the spirit of more manageable thinking. Nurses, caregivers, care plan managers, and professional staff were made to think that we are in the business on our own, and the government is in no way assisting us in finding residents to be admitted, as it used to be. It took years to change their working habits.

Q. Under the new system, how is the regional government doing for your operation?

A. I think that they keep a distance from us. They are just observing what we are doing and seeing if we are doing it right or not in accordance with the codes relating to the operation of these facilities.

- Q. It appears that these facilities are very old, so how are you going to meet the requirements to improve the facilities to adopt unit-care” system that the government has been promoting?
- A. We have to do our best to improve the infrastructural facilities.
- Q. What is the percentage of the cost of salary of the staff in relation to the total operating cost?
- A. We are trying to keep the cost under 50%. We have instituted a review process for their work performance, which will determine their salary scale.
- Q. What is the ratio of persons with dementia to the total number of residents here?
- A. It is 50%.
- Q. How do you view the no-physical-binding policy in relation to accidents that residents may encounter?
- A. It is a matter of concern, but we are doing the best we can to prevent it. So far, there has been no accidents.
- Q. How are you going to collect the service fees? Are there any cases in which the residents failed to pay the fees?
- A. We have put into the system of making sure that we try to collect the fees, and so far we have had no cases where the residents failed to pay.
- Q. How are your day care programs?
- A. Although the area here is subject to snow during the winter period, we are doing fine.
- Q. How are you going to improve the mental condition of the staff who may be faced with their working conditions?
- A. Yes, we are paying attention to make sure that they are physically and mentally sound, and it may be a good idea to have an in-home counselor look after them,
- Q. Now that the government and regional governments are going through the process of reviewing some of the issues regarding the current law(s), what points do you think should be corrected?
- A. The matter of the ratio of caregivers to residents in terms of the care services staffing rule should be corrected. The

introduction of unit-care would be an additional cost to the facilities, thus these points should be reviewed.

Q. What is your honest view of the care services insurance system?

A. It is a good system as far as the matter of admission because the elderly can decide in which facility they would like to stay. The points at issue are that the central and regional governments should be more flexible in terms of the implementation of the law(s), and administrative guidelines that they dictate to enforce the various policies.

Q. What are some of the unique programs that your facilities deploy to satisfy the residents?

A. We are providing the opportunity to let the residents do their cooking occasionally, which is a good way of ensuring that we are working together.

Q. Thank you for your time.

Commenting on Mr. Iwata's remarks and opinions, the writer thought that he is well aware of what has to be done to keep the facilities manageable by changing the attitude of the staff and their work performances.

(3) Mr. Tsutomu Iida, Managing Director, Care Town "TAKASUNO", Takasuno Machi, Akita Prefecture – (November 20, 2002)

Q. I understand that this facility was built by the town government.

A. Yes. However, it is being managed by the private sector. It was discussed at the time of building this facility which way would be better—to let the private sector build and manage the facility. The mayor decided that the local government should build the facility because people at large wanted it that way.

Q. What is the scale of the salary for the staff working here?

A. It is the same scale as that of the local government employees.

Q. That means that the cost of the staff consumes a large percentage of the operating cost of this facility?

A. The local government is subsidizing the cost of salary of the staff working here, and we have been provided with 100 million yen per year.

- Q. What is your opinion on the care services insurance system? The pros and cons?
- A. The first points I would like to refer to relates to how improvements can be made in the procedure of determining the level of care service needed for the elderly, and to enlarge the responsibility of the care plan manager. On the good side, it gives more freedom to the elderly to choose their desired facility, and has created many employment opportunities for people in the town.
- Q. What is the rate of employees leaving their jobs?
- A. Here at this facility, there is no one is leaving their jobs.
- Q. How do you document the records of each resident?
- A. We keep their medical records and keep updated records in place.
- Q. How do you ensure that you will collect the fees for care services from the residents?
- A. We do it in consultation with the prefecture's government.
- Q. Thank you for your time and interesting points you have cited.

The writer thought that the local government subsidizing a portion of the salary of the staff is not in line with the current system, and wondered how the prefecture's government would react to this situation. It would be much better to have the facility completely managed by the local government instead of letting the operating management go to the private sector. It is true, however, that this facility is on de-facto basis a local government oriented operation.

- (4) Mr. Takio Akimoto, General Manager, Hana No Ie Facility, Yuwa Town, Akita Prefecture – (November 21, 2002)
- Q. Please tell me about the pros and cons of the care services insurance system.
- A. Although the facility was built by the local government, the staff working here are more flexible in terms of working attitudes, and it is less intervention from the local government on the operation of the facility.
- Q. What are the demerits?
- A. The system seems to have not paid much attention to the regional discrepancies which exist, such as the financial

situation of the region, and cultural and local customary factors are not fully reflected in the implementation of the law(s). I must admit that there are still some cases where admission to the facilities may be influenced by how well a person is established in the area. This may be due to the facility being built by the local government.

Q. What is the composition of the residents here? Are there any residents from out of the area?

A. 90% of the residents are from Yuwa town.

Q. What is the ratio of the staff to the residents?

A. 3 to 1.

Q. How do you conduct the assessment of the level of care services needed for the elderly?

A. We do it as mandated by the government.

Q. How do you see the no-physical-binding policy in relation to accidents that may occur at the facility?

A. We are dealing with this particular matter on a case-by-case basis.

Q. What is the rate of attrition of the staff working here?

A. 100%.

Q. What is your opinion as to the fees for the care services?

A. If the rate is kept as it stands now, it is acceptable.

Q. What is the situation regarding residents not paying for services provided?

A. We have no problems with this matter right now, but there may be problems in the future.

Q. How do you educate and train your staff to upgrade their professional quality?

A. We are trying to give them opportunities to participate at various professional meetings to get an in-depth understanding of how the best care should be given.

Q. How was it decided that this facility should have only 50 beds? Is it the fact that the operation of a facility with 50 beds is not going to be sustainable in terms of profit and loss?

A. Well, it was decided by the leadership of the local government.

Q. Thank you very much for your interesting information.

The writer thought that the scale of the facility is not going to meet the healthy operation from a financial point of view, and the town is keeping to inject its moneys into the facility. Again, the government-oriented operation poses some question as to whether or not the system be kept as the Ministry had hoped for, in particular, a locality where the population is less than 10,000. Yuwa is now in the process of merging with other cities and towns, and how this will affect the facility remains unclear.

(5) Mr. Takashi Ono, Senior Official in Charge of Care Service Section, Division of Long Life and Welfare, Akita Prefecture's government – (November 22, 2002)

Q. Please comment on the pros and cons of the care services insurance system.

A. I think that the merit is that it provides the freedom for the elderly to choose their own desired facility, and the institutional care facilities are more aware of a business approach to reduce the costs of operation of the facilities. On the demerit side, it should have given more PR to the public before the implementation of the system.

Q. Have you developed any unique programs or measures to assist the regions or localities in Akita Prefecture where financial assistance is needed?

A. Yes, we have divided the region into 8 blocks, and depending on the situation of each region and locality, we extend some financial and other form of assistance, including flexible premiums to reduce the burden of needy persons.

Q. What is the future policy of the prefecture concerning the expansion of institutional care facilities?

A. We are trying to make sure that the newly built facilities should be aimed at productivity of their operations by managing the best operational methods to reduce the cost of operation of the facilities.

Q. How do you guide regional and local governments as well as institutional care facilities to be productive in terms of the operation of facilities?

- A. Although it is important to reduce unnecessary expenses, we maintain that social and welfare programs are not entirely profit oriented.
- Q. What is the current situation of the elderly who are on the waiting list for admission to the various facilities?
- A. There are 1,695 persons (as of April of 2002).
- Q. How do you explain to them about their chance of being admitted and when?
- A. In consultation with regional and local governments, we are keeping them updated on admission opportunities.
- Q. What is your view of the no-physical-binding policy in relation to accidents that may occur to the elderly?
- A. We are educating the facility's management to follow the policy that the Ministry has implemented in this regard.
- Q. What is your opinion concerning the unit-care system that the Ministry is pushing for at the facilities?
- A. It will be a burden financially, and we must give more careful thought to this matter. It may be necessary for the beneficiaries of the services to pick up the additional cost.
- Q. What is your understanding of the attrition rate of the work staff at the various facilities in Akita Prefecture?
- A. We are now in the process of conducting a survey on this matters, and I will provide the information together with other materials.
- Q. Thank you for your kindness and information given.

The writer thought that it is less than what was expected as far as the elderly who are waiting for admission to the facilities. During the course of interview, he implied that the socio-cultural factors in the region are such that the majority of families in this region feel that care services for their elderly at institutional care facilities are regarded as shameful for the families. So, the Ministry's emphasis for in-home family services could be well accepted, although the motivations for each could be different.

- (6) Mr. Ken Hiroe, CEO, Social and Welfare Corporation, [YOUJUKAI], Yonago city, Totsutori Prefecture – (January 15, 2003).
- Q. Please comment on the pros and cons on the care services insurance system.

- A. I think that it is impossible to separate care services for the elderly from medical care services. It should be interactive in the system. The merits are that the spirit of competition is visible, and the working staff are aware that it is now a business rather than a purely social service.
- Q. What is your view of the Ministry's emphasis on in-home care services being more encouraged?
- A. The Ministry and regional governments are not fully aware of the real situation concerning how care services are needed at institutional facilities because of the unique situation that exists here. Care managers should have more independence in rendering their judgments rather than relying on information provided by the families of the elderly.
- Q. Please elaborate on your philosophy and vision as to how the best care services can be established.
- A. More professionally trained staff should be put in place, and a new comprehensive medical and care services system should be implemented. The Ministry and regional governments should not be involved in how care services are to be conducted through their detailed guidance and instructions. It is much better to leave it to the facility to create its own approach with the aid of qualified professionals. Also, it is burdensome to issue so many administrative instructions either in the form of written notification, instructions, or verbal notifications concerning the operation of the facilities.
- Q. What the ratio of the salary of the staff working here compared to the total operating cost?
- A. I think it is in the range of 62% to 63%.
- Q. What is the attrition rate of the staff here? And, what is the scale of salary for the staff working here?
- A. Our system is to classify jobs in three ways. The first is general working assignment; the next is more professionally oriented, such as nurse, PT, or medical doctor; and the third is caregivers. We are now working with an organization in China to work out a collaborative arrangement to ensure that qualified persons will be hired here. And in this age of globalization, foreign staff who are qualified to provide better care services will become a matter of necessity sooner or later.
- Q. What are the most cost-saving programs that you have adopted?

- A. We have adopted a “no-diaper-use” campaign and are saving \40,000,000 per year.
- Q. Getting back to the attrition rate of the staff working here, what is your estimate?
- A. 92 % will remain on their current job assignments.
- Q. What is your opinions or suggestion to the governments?
- A. I have been stating that the governments must implement policies to meet the requirements on the site, not just desk-oriented policies.
- Q. Thank you very much for your kind time and information.

The writer thought that Mr. Hiroe had some points that warranted consideration. Because his organization is the largest in taking care of care services for the elderly, and almost a monopoly, he is in a strong position to voice his opinion to the regional government.

- (7) Mr. Kishida Yasumasa, Deputy Director of Care Service Insurance Office, Long Life and Welfare Division, Totsutori Prefecture Government – (January 16, 2003)

- Q. What would be your view on the care services insurance system? Please comment on the pros and cons.
- A. It is that the larger portion of the elderly in the prefecture is now using this system, which proves that the system is working well.
- Q. What are your views and analysis in terms of your expectation of the elderlys’ desire to use this system?
- A. It is 2% more than we expected, but the central government should give more attention to the unique situation which exists in certain regions. Here in Totsutori, there are many farming families, and during the busiest time of harvesting the crops, members of the family are preoccupied with farming. In this sense, the system should implement some measures to accommodate a special kind of program to reduce their burden for providing care services for the elderly in their homes. It is also necessary for the government to pay attention to the regions that are in the snow country. The service fees should include these factors prevailing in the regions.
- Q. Does the prefecture deploy its unique programs?

- A. Since our prefecture has adequate facilities in place, it is now focusing on some of the issues that are uniquely explicit in the regions in dealing with the harvest time care service system and so on.
- Q. What is your opinion of the system of assessment of the level of care to be determined for the needy elderly?
- A. Yes, we think that there should be more room for further improvement in procedural matters in the system, and we would like to involve more medical doctors with more updated medical history of the elderly so that proper assessment could be achieved.
- Q. What is your opinion of the ongoing process of amending some of the issues in the proposed amendments to the current law, particularly on the rate of the premium and the services fees?
- A. I think it is going well, and our prefecture is trying to adapt our unique policies to meet the requirements in the regions. The governor is the prime mover for this plan.
- Q. What is your comment on the unit-care system?
- A. It is important to combine soft and hard elements in implementing such a care system.
- Q. What is your honest comment about the way the central Ministry conducts its policies?
- A. There are too many notifications, directions, instructions, ordinances, and so on which are making the law(s) difficult in terms of interpreting the true meaning of what the law(s) are intended to mean.
- Q. There are rising rates of accidents at institutional facilities for the elderly. What do you think of the non-physical-binding policy that is being encouraged by the government?
- A. This is difficult issue, particularly for the residents with dementia. The facility must do the best they can to prevent the accidents from occurring.
- Q. What is your opinion of the newly introduced single-room system at special nursing homes?
- A. This is an issue that we must study further to see what effect it may have on the facilities as well as the residents in terms of additional costs that may be added.

Q. Thank you for your valuable comments and the materials provided.

The writer thought that this prefecture is well governed by the leadership of the governor, and the regional government is trying to place its priority, which is designed to meet regional and local necessities.

- (8) Mr. Yujiro Ohba, Deputy Director, Care Service Insurance Section, Social and Welfare Division, Tokyo Metropolitan Government – (Interviews were conducted twice and also via telephone, from November 2002 through March 2003)

Since Tokyo is the largest city in Japan, with a population of more than 12 million, and having 23 special wards plus many other cities, towns, and villages which compose the greater metropolitan areas, it is presented with various regional and local conditions. It requires enormous amounts of energy, vision, flexibility, and fundamental policies to keep each of these regions, localities, and wards together in forming social and welfare policies by giving due consideration to meet their respective requirements in care services for the elderly.

According to research conducted by the Tokyo Metropolitan government on July 24, 2002, the number of elderly waiting for admission to special nursing homes alone is 25,495 persons. The majority of them have registered to apply for admission to various facilities. Each person has made his or her admission request, which is 2.6 facilities per person. The 50% of those who wish to be admitted to special nursing homes are being housed at other facilities, including at home. And 30% of them are being assessed at the level of care required as level #1 and #2. Those wishing to move to special nursing homes are in the range of 30% (approximately 7,000 elderly). Those wishing to stay at home and receive in-home care services are 11,300 persons. And those wishing to be housed at special nursing homes within the next 12 months are estimated to be 7,200.

The Tokyo Metropolitan government is in the final process of compiling data which was collected from regional and local governments within the Tokyo greater area. The data are due to be released after it has been analyzed. This analysis will be used as a basis for the plans for the next year and the subsequent two years in order to determine various policies to be implemented, including the revised premium and service fees for care services. In the Japanese version, the mid-term report, which was released earlier, are attached as reference materials but will be omitted here in the English version. Some in-depth line of thinking that reflects the care services policies of the Tokyo Metropolitan government may be drawn from the interviews conducted with Mr. Ohba.

- Q. Your office has released the mid-term report and is due to make the final report in March. Based on the findings, what do you think of the current system's ability to carry out the programs that the Tokyo Metropolitan government wishes to promote and implement?
- A. As far as the pros are concerned, it made more options available for the elderly to pick the facility of their choice. On the con side, it has not clearly drawn the line between medically oriented services and care services as exemplified in the case of medical nursing care facilities. The central government should have undertaken the task of establishing a more defined character of facilities before the current law(s) was enacted.
- Q. The survey your office conducted concerning the number of elderly wishing to be admitted to special nursing homes suggests that the survey may not have reflected the true figures. What method have you used to come up with such a result?
- A. Yes, it may be the case, as you have pointed out, and it may be necessary to establish some method to get accurate information.
- Q. The central government is now promoting in-home care services rather than services to be provided at institutional facilities. However, conditions differ from region to region as well as localities. How do you cope with the situation that exists in the greater Tokyo area?
- A. Yes, it is necessary to adapt the programs to meet the requirements of each region and locality. In Tokyo, we have been providing funding to the provider of care services at group homes. We are also contemplating a multiple approach to cope with the conditions and situations which require a special arrangement for care services.
- Q. In the process of reviewing the premium and the fees for care services, I understand that even among the 23 wards, there are discrepancies which exist. How do you intend to eliminate such a discrepancy?
- A. We are now inviting private corporations to participate in the care services business, but the important point is how to ensure the quality of care services to be made available. In this sense, the role that the care plan manager plays is so important.
- Q. As it is pointed out, the care plan managers now assigned to develop care service plans are not really professionally

or academically trained to do the job that the government initially envisioned. It is said that colleges and universities from which the care plan managers graduated, with majors in the social and welfare related field, are not really teaching how to develop care plans nor do they have enough on-site training. What do you think of this situation?

A. The points you have made have some merit, and we are trying to promote the “third-party assessment team,” which is designed to review that care plans are really adequate, and that institutional facilities are providing care services that are above the level of what they are required to offer.

Q. The de-centralization movement is now going on, and many small cities and towns are concerned about the outcome of how the merger may affect their care services programs. What is the case in Tokyo?

A. As far as this issue is concerned, Tokyo is not so much affected, but it may be an issue in the future. We are, therefore, providing a complete information disclosure mechanism that can be easily accessed by those who need information.

Q. What is your opinion on the non-physical-binding policy in relation to increased accidents to residents at institutional facilities?

A. It is a difficult issue. In my own opinion, the current law(s) was enacted without studying many important points, as you pointed out, concerning the separation of medical care and care services which was needed in the process of developing the scheme of the law(s). The Tokyo Metropolitan government is going to develop a clearer policy line, which will be implemented more effectively.

Q. In making of a law(s), it is important that the fundamental philosophy and vision be established, and the nature of the law should be clearly defined, like “The Older Americans Act.”

A. I agree with you.

Q. Thank you very much for the valuable materials and information provided.

The writer feels that Mr. Ohba is very familiar with the merits and demerits under the current law(s), and is in a position to know how it should be improved. Because Tokyo is so big, it may take more time, but once the policies are set forth, they will be

effectively implemented to meet the requirements of the regions and localities.

- (9) Mr. Yoshitomi Awai, Senior Officer, Section of Care Services Insurance, Long Life and Welfare Department, Division of Health and Welfare, Hokaido Government; Mr. Hidetoshi Miyama, Chief, Section of Care Service Insurance – (February 27, 2003)

Hokaido is located in the northern part of Japan. The island of Hokaido is very unique from an historical point of view. The ancestors of many of the modern-day residents migrated to Hokaido, which was regarded like the West in the United States during the era of “westward movements.” The percentage of elderly to the total population is growing in Hokaido. For instance, in 10% of the cities, towns, and villages in Hokaido, 30% of the total population consists of the elderly. Additionally, in 80% of regions and localities, the elderly constitutes 20% of the total population. The economic and business climate is rated far below the nation’s average. Hokaido may be one of the most hard hit regions in Japan in having to deal with the issue of the acceleration of the aging population.

Q. Please comment on the pros and cons of the current care services insurance system.

A. On the pro side, it was good to draw a line between medically oriented services and care services, which will help reduce the medical insurance scheme financially. And assessment procedures for determining the level of care needed for the elderly will be put in place, not like medical care does. The elderly are given the option to choose their own desired facilities. On the con side, the system has not included or reflected sufficiently on the issue of covering regional requirements, which are a part of regional discrepancies that exist financially due to economic and business conditions. Also, special considerations are not reflected for the regions which suffer greatly from winter heavy snow. During the harvest season, farmers and their families find it very difficult to provide care for elderly members of the family.

Q. What are some of the unique situations prevailing regarding care conditions for the elderly in Hokaido?

A. One situation that Hokaido is facing is the long length of time that the elderly are being housed at medically oriented facilities, where the cost of care is very high. For example, 50% of elderly persons will be admitted at hospitals or medically oriented facilities at one time or another.

- Q. What is your opinion concerning assessment methods to determine the level of care needed for the elderly?
- A. The members of the assessment teams are dominated by medical doctors, and the fees that they are paid are higher than other members of the team. In Hokaido, however, appealing for reassessments of the level of care is very open, and statistics show that many of the elderly are reassessed two times.
- Q. How can relatively small-sized cities and towns sustain the system financially?
- A. Because of a special geographic condition which exists in Hokaido, where the distance from one city to another can be quite far, each regional and local government must set up their own facility. Therefore, there are many facilities which are publicly owned and managed. This makes it difficult under the current system to be more competitive because the staff working at these facilities are getting salaries equal to that of government employees.
- Q. What is the situation concerning the funds that are used to support the operational expenses of the facilities?
- A. It is case by case. Some region must use that to reduce the premium of the beneficiaries of the system due to existing financial conditions.
- Q. It has been pointed out that the current law(s) was written very vaguely, and that there are many notifications and instructions from the Ministry of Health, Labor, and Welfare regarding the implementation of the programs as specified under these administrative guidelines. And this could contribute to difficulty in interpreting the law(s) and implementation of the policies.
- A. Yes, it is true that sometime it is difficult for us to interpret what the law says on certain points. On the other hand, however, the vagueness and its expression in the law(s) gives us some rooms for freedom to do things our own way.
- Q. What do you think is most important to enhance care services under the current system?
- A. We have been promoting our own unique programs to meet the requirements of each region and locality, which is done in consultation with regional and local governments to reflect their desires for care services. We are also trying to enhance the professional quality of the care plans managers, which will benefit the elderly, and

also for institutional management to be more effective and run a healthy operation.

Q. What is your view of non-physical-binding in relation to accidents that are occurring more often?

A. It is a difficult issue, and we are trying to educate the facilities and their staff by hosting various kind of professional conferences and meetings.

Q. What do you think of de-regulation measures to let for-profit corporations participate in the field of care services?

A. It poses some questions because some of the care services provided are not really in line with the level required, and some measures are needed to regulate such poor services to be allowed.

Q. I am going to study some of the valuable materials you have provided today. I thank you for your kindness in spending the time and providing the valuable information.

The writer believes that Hokaido is very unique due to factors which exist there that are different from the rest of Japan. Economic and business conditions, as well as the fiscal condition of the Hokaido government, limits the development of ambitious programs unless some special assistance is provided by the central government.

X. THE PROCESS OF DEVELOPING A LAW(S) AND PROGRAMS FOR THE AGED IN THE UNITED STATES; HISTORICAL EVOLUTION OF PROGRAMS FOR OLDER AMERICANS

On July 14, 1965, the Older Americans Act was passed and signed into law by President Lyndon Johnson. It established the Administration on Aging within the Department of Health, Education, and Welfare, and granted the states to do community planning, services, and training. The Act also called for the creation of State Units on Aging to administer the programs. The writers believe that an introduction of this historic revolution of Programs for Older Americans and the Summary of 2000 Amendments of the Older Americans Act, in a comparative analysis with Japan's Care Services Insurance Law(s) enacted in 1997 and its implementation in 2000, would be beneficial at this point.

1.

**Toward a National Policy on Aging: The Historical Evolution  
of Programs for Older Americans**

- 1913**      **"Social Insurance"** by I.M. Rubinow advocated a comprehensive social insurance system to provide against industrial accidents, sickness, old age, invalidity, death and unemployment.
- 1917**      **First State Department of Public Welfare** was established in Illinois.
- 1920**      **The Civil Service Retirement Act** provided a retirement system for many government employees including Members of the U.S. Congress and those in the uniformed and civil services.
- 1923**      **First Organized Homemaker Service** established by the Jewish Welfare Society of Philadelphia.
- 1927**      **American Association for Old Age Security** was organized to further national interests in old age legislation.
- 1930**      **Establishment of American Association of Public Welfare Officials**, which later became the American Public Welfare Association.
- 1935**      **The Social Security Act** was passed and signed into law by President Franklin D. Roosevelt "to provide protection as a matter of right for the American worker in retirement. "Major provisions included Old Age Assistance and Old Age Survivors Insurance.
- Jane M. Hoey became first director of the **Federal Bureau of Public Assistance**, which provided aid to the aged, blind and dependent children under provisions of the Social Security Act.
- 1937**      **The Railroad Retirement Act** provided pensions for retired railroad employees and spouses.
- The **U.S. Housing Act** stimulated passage of enabling legislation in the majority of states, to provide low-rent public housing.
- 1939**      A **Food Stamp Plan** to dispose of agricultural commodities began in Rochester, N.Y.

- 1945 The State of Connecticut was among the first to establish what now is called a **State Agency on Aging** through its designation of a "State Commission on the Care and Treatment of the Chronically Ill, Aged and Infirm."
- 1949 **Comprehensive National Health Program** recommended by President Harry S. Truman to the Commission on Labor and Public Welfare.
- 1950 President Truman initiated the first **National Conference on Aging**, sponsored by the Federal Security Agency.
- The **Social Security Act, Amended** established a program of aid to permanently and totally disabled and broadened aid to dependent children to include relative(s) with whom the child is living.
- 1952 First Federal funds appropriated for social service programs for older persons under the Social Security Act.
- 1953 **The Department of Health, Education, and Welfare**, was established, replacing its predecessor, the Federal Security Agency.
- 1956 **Special Staff on Aging** established with the Office of the Secretary of Health, Education and Welfare, to coordinate responsibilities for aging.
- 1958 Representative John E. Fogarty introduced a bill in Congress, calling for a **White House Conference on Aging**.
- 1959 **The Housing Act** was amended authorizing a direct loan program of non-profit rental projects for the elderly at low interest rates, and lowered eligibility ages for public low-rent housing, for low-income and women to age 62, and age 50 for disabled individuals.
- 1960 **Social Security Amendments** eliminated age 50 as minimum for qualifying for disability benefits, and liberalized the retirement test and the requirements for fully insured status.
- 1961 First **White House Conference on Aging** convened in Washington, D.C.
- Social Security Amendments** lowered the retirement age for men from 65 to 62; liberalized the retirement test; increased minimum benefits to aged widows; and broadened program to include additional categories of retired persons.

**1962**            **Legislation** introduced in Congress by Senator Pat McNamara and Representative Fogarty calling for the establishment of an independent and permanent **Commission on Aging** attached to the Presidency to serve as a focal point within Federal government for developing national aging policy.

[More than 160 Bills were introduced in Congress related to the aged and aging---**eight were enacted**].

**1964**            **Food Stamp Act** provided for improved levels of nutrition among low income households through a cooperative Federal-state program of food assistance.

Formalizing of a loose confederation of State administrators of aging programs, the **National Association of State Units on Aging** was officially established April 26, 1964.

**Economic Opportunity Act** (also known as "the anti-poverty bill") was passed establishing the **Office of Economic Opportunity (OEO)**. The measure also called for the creation of VISTA, the Job Corps, Upward Bound, the Neighborhood Youth Corps, Operation Head Start and the Comprehensive Community **Action** programs.

**1965**            **The Older Americans Act** was passed and signed into law by President Johnson, on July 14. It established the Administration on Aging within the Department of Health, Education and Welfare, and grants to states for community planning, services and training. The Act also called for the creation of **State Units on Aging** to administer the programs.

**Medicare** Title XVIII, a health insurance program for the elderly was added as part of the Social Security Act.

**Medicaid**, Title XIX (**Grants to States for Medical Assistance**), a health insurance program for low-income persons was also added to the Social Security Act.

Community Service and Continuing Education Programs were authorized under the **Higher Education Act of 1965**. Emphasis was directed to solving community problems in urban and suburban areas and to expanding available learning opportunities for adults not adequately served by education offerings in their communities.

**Foster Grandparent Program** initiated by the Office of Economic Opportunity.

- 1967      **The Older Americans Act** extended for two years and provisions made for the Administration on Aging to study the personnel needs in the aging field.
- The Age Discrimination Act** signed into law by President Johnson.
- The Administration on Aging** was removed from the Office of the Secretary of HEW and placed in the newly created Social and Rehabilitative Service Agency (SRS) within the Department.
- 1969      **Older Americans Act Amendments** extended for three years, authorized the use of Title III funds to support **Areawide Model Projects** and provided grants for model demonstration projects, Foster Grandparent, and Retired Senior Volunteer Programs.
- 1971      Second **White House Conference on Aging** held in Washington, d.C.
- 1972      A new **Title VII** is created under the Older Americans Act, signed into law by President Nixon, authorizing funds for a **National Nutrition Program for the Elderly**.
- As part of the 1972 amendments to the Social Security Act, **Professional Standards Review Organizations** initiated a national program of local and state organizations to establish service standards, review quality and costs of health services provided to beneficiaries of Medicare, Medicaid and Maternal and Child Health programs.
- 1973      **The Older Americans Act Comprehensive Services Amendments** established **Area Agencies on Aging** under an expanded Title III.
- The amendments also added a new **Title V** which authorized grants to local community agencies for senior centers and multidisciplinary centers of gerontology; and added a new Title IX **The Older Americans Community Service Employment Act** grant program for low-income persons age 55 and older, administered by the U.S. Department of Labor.
- The Domestic Volunteer Service Act** was passed and signed into law and provided for RSVP and Foster Grandparent programs. (Title VI of the Older Americans Act, as a result, was later repealed).
- Comprehensive Employment and Training Act (CETA)** was enacted to provide job training and employment opportunities for economically disadvantaged, unemployed or underemployed persons, including those facing barriers to employment commonly experienced by older workers.

The **Federal Council on Aging** was established to advise and assist the President and the Commissioner on Aging and to review and evaluate Federal policies regarding the aging and programs and other activities affecting the aging.

**1974**      **Title XX of the Social Security Amendments** authorized grants to States for social services. These programs included protective services, homemaker services, transportation services, adult day care services, training for employment, information and referral, nutrition assistance and health support.

**The Older Americans Act** amendments added transportation under Title IV model projects.

**The Housing and Community Development Act** was enacted and provided for low-income housing for the elderly and handicapped, pursuant to the Housing Act of 1937; and, directed the Secretary of Housing and Urban Development (HUD) to consult with the Secretary of HEW to ensure the acceptability of the aforementioned provisions.

**National Institute on Aging (NIA)** created to conduct and support biomedical, social and behavioral research and training related to the aging process and the diseases and other special problems of an aging population.

**Title V, Farm and Rural Housing Program of the National Housing Act of 1949** was expanded to include the rural elderly as a special target group.

**1975**      **Older Americans Act Amendments** authorized grants under Title III for Indian tribal organizations. For the first time, **Priority Services** were mandated (transportation, home care, legal services, and home renovation/repair).

**The Age Discrimination Act of 1975** was passed and signed into law. it specifically excluded from its purview age discrimination in employment except as it related to participation in government-funded employment programs.

**The Social Service Amendments of 1974 (Title XX)** were implemented to support comprehensive social service program development in states. Five levels of service were identified as a framework for state service development.

- 1977**      **The Older Americans Act Amendments** required changes in Title VII nutrition program, primarily related to the availability of surplus commodities through the Department of Agriculture.
- 1978**      **The Older Americans Act Amendments** consolidated the Title III Area Agency on Aging administration and social services, the Title VII nutrition services, and the Title V multi-purpose senior centers into a new Title III; redesignated Title IX (Community Service Employment Act) as Title V; and, added Title VI for **Grants to Indian Tribal Organizations**.
- The Congregate Housing Services Act** authorized the Secretary of HUD to enter into contracts with local public housing agencies and non-profit corporations to provide congregate service programs for the purpose of promoting and encouraging maximum independence within home environment for individuals capable of self-care.
- The Age Discrimination in Employment Act Amendments of 1978** were passed containing provisions reflective of the recommendations of the U.S. Civil Rights Commission which showed that the Age Discrimination Act of 1975 had been interpreted to allow age discrimination in employment which was clearly not the intent of Congress
- 1981**      **The Amendments to the Older Americans Act** extended the Act's programs for three years and emphasized supportive services to help older persons remain independent in the community.
- Third White House Conference on Aging**, held in Washington D.C.
- The Omnibus Reconciliation Act of 1981** was passed giving increased responsibility to state and local governments to administer welfare programs. Programmatic changes were embodied in "block grants" and accompanied by reductions in Federal domestic program budgets.
- 1982**      **The Job Training partnership Act of 1982** was passed and signed into law, replacing the old CETA program. It required each state to set aside 3 percent of its funds for employment programs for economically disadvantaged persons 55 years of age and older.
- 1983**      **The Comprehensive Social Security Amendments of 1983** imposed a six month delay on Social Security Cost of living adjustments; authorized an accelerated schedule of payroll tax increases; made a portion of Social Security benefits subject to taxation, for the first time; increased the retirement age from 65 to 67, which will be gradually

phased in between the year 2000 and 2022; and established a prospective payment system for Medicare reimbursement to hospitals.

- 1984**      **Reauthorization of the Older Americans Act** clarified and reaffirmed the roles of State and Area Agencies on Aging in coordinating community-based services and in maintaining accountability for the funding of national priority services (legal, access, and in-home).
- The Carl D. Perkins Vocational Education Act** was signed into law. It had as a major objective the expanding the access of vocational education programs for all persons, particularly those who have been underserved. The Act also authorizes demonstration programs to meet the special vocational and employment needs of older individuals.
- 1987**      **Omnibus Budget Reconciliation Act** provides for nursing home reform in the areas of nurse aide training, survey and certification procedures, preadmission screening and annual reviews for persons with mental illness.
- The reauthorization of **The Older Americans Act** added six additional distinct authorization of appropriations for services; in-home services for the frail elderly; long-term care ombudsman; assistance for special needs; health education and promotion; prevention of elder abuse, neglect, and exploitation; and outreach activities for person who may be eligible for benefits under supplemental security income (SSI), medicaid, and food stamps. Addition emphasis was given to serving those in the greatest economic and social need, including low-income minorities.
- The Amendments created an **Office of American Indian, Alaskan, Native, and Native Hawaiian Programs** headed by an Associate Commissioner. The Associate Commissioner serves as an advocate on behalf of older Native Americans.
- 1990**      The **Americans with Disabilities Act** extended protection from discrimination in employment and public accommodations to persons with disabilities.
- The **Age Discrimination in Employment Act** made it illegal, in most circumstances, for companies to discriminate against older workers in employee benefits.
- 1991**      Reauthorization of **The Older Americans Act** stalled in Congress, due to a Senate amendment to eliminate the Social Security earnings test. The legislation contained a provision for a 1993 White House Conference on Aging which was put on hold until a later date.

1992

**The Older Americans Act Amendments** was signed into law. It authorized a new **Title VII, Vulnerable Elder Rights Protection Activities** to consolidate and expand programs that focus on protection of the rights of older person. Shifted from the Title III programs to the Title VII programs are: the long-term care ombudsman program; services to prevent abuse, neglect or exploitation; and State legal assistance development services.

New programs added to the Title III service components are: school-based meals for volunteer older individuals and multigenerational programs; and supportive activities for caretakers who provide in-home services to frail older individuals.

The amendments also included changes in the provisions for an increase in the U.S. Department of Agriculture (USDA) reimbursement for meals; limited State authority to transfer funds between certain Title III services components; clarified the role of Title III agencies in working with the for-profit sector, and required improvements in AoA data collection.

From the foregoing introduction of the historical revolution of Programs for Older Americans and the Older Americans Act with its recent amendment of 2000, it may be of some interest to see how the making of a law(s) is shaped to meet the needs of a given age and how the federal and state governments work together to ensure the law(s) is implemented properly, such as Title 21 for regulating the operation of nursing homes, with each state adopting its own policies in line with the policy of the U.S. administration.



# ADMINISTRATION ON AGING



## Older Americans Act Amendments of 2000

### Summary: Older Americans Act -- 2000 Amendments

The 2000 amendments to the Older Americans Act include a five-year reauthorization, and maintain the original ten objectives aimed at preserving the rights and dignity of our nation's older citizens. Although the seven titles remain intact, the following Title III categorical programs are now consolidated under Part B, Supportive Services: Part D, In-Home Services for Frail Older Individuals; Part E, Additional Assistance for Special Needs of Older Individuals; and Part G, Supportive Activities for Caretakers Who Provide In-Home Services to Frail, Older Individuals.

The amendments retain the targeting provisions for low-income minorities, and add focus on older individuals residing in rural areas. The amendments also retain priority services, thereby maintaining emphasis on access, in-home, and legal services. The addition of the National Family Caregiver Support Program provides a means of addressing the nation's growing needs of caregivers. In addition, a new part of Title VI, Grants to Native Americans, authorizes a program to support caregivers of Native American elders.

The amendments streamline, consolidate and grant more flexibility to the states and area agencies on aging in developing comprehensive and coordinated service systems. States and AAA's are now specifically allowed to provide services to non-elderly with outside resources such as Medicaid waiver funds. Much of the prescriptive language of the Act, such as compiling information on higher education, developing volunteer programs, and AAA telephone directory listings, is deleted from the Act.

To permit demonstrations and promote innovations or improve service delivery, additional flexibility is provided with waiver provisions in the areas of statewide uniformity and state and area plan requirements. Also waiver authority is provided for the restrictions on transfer of funds between supportive and nutrition services, and for the maintenance of effort levels.

The prohibition against the direct provision of service remains intact, but additional provisions are added. If the state agency or area agency is already providing case management under a state program, the state plan may specify that the agency is allowed to continue. In addition, the state plan may specify that an area agency is allowed to directly provide I&A and outreach.

A provision for cost sharing allows states to choose this option for certain supportive

services, while exempting access, nutrition and elder rights services. Services provided to low-income older persons are also excluded from cost sharing.

The interstate funding formula components for Title III (not including III-E, National Family Caregiver Support Program) and Title VII services, while reordered, are unchanged except for the updated “hold harmless” year (FY-2000), and the addition of a second “hold harmless” level, i.e., No state will receive less than 20% of the percentage increase above the FY-2000 allotments for all states. The interstate funding formula for Title III-E is based upon the population of persons 70+, along with the same minimum funding level factor outlined in the Title III/VII funding formula. The intrastate funding formula provisions are unchanged.

The 2000 amendments modify the USDA meal reimbursement program to lessen the administrative burdens on states, tribes, and local agencies. The Act retains the connection with the number of meals provided, and minimizes any disruptions in allocations to states. This is accomplished by revising the basis for allocations from a reimbursement model to a performance incentive model. It will be based on the actual number of meals served in the previous year and is designed to eliminate estimated numbers.

XI. THE SPECIAL ARTICLES CONTRIBUTED BY MR. CLAYTON S. FONG,  
MS. SUSAN WEINER, AND MS. CAZEAUX NORDSTRUM

(1)

**“Importance of socio and heritage factors for care services for the elderly in the United States: its value and the issues in question as presented at an international conference held in Madrid, Spain in 200”**

While much attention has been paid to the aging of our population, little attention has been paid to how diverse our aging population has become. In fact, Asian Pacific Islanders (API) elders are the fastest growing racial group over the age of 60 in the U.S. The number of Asian and Hispanic elders is growing ten times faster than the elder population as a whole. API elders will have tripled by the year 2010, from 652,000 in 1990 to nearly 2,000,000 in 2010. In many urban centers API elders comprise 5% to 36% of the senior population.

Yet, Asian Pacific elders remain the most underserved senior group in the nation. The diversity among API's raises many unique issues and barriers for this older population:

- Over 70% of API elders over 65 are foreign born. Many are not yet US citizens.
- Over half of API elders do not speak English well.
- Over 30% live in households where no adult speaks English.
- Language barriers coupled with racial discrimination forced many API's to work in low paying jobs without retirement plans.
- API elders, compared to all U.S. elders are more likely to work past 65 years old.

These factors combined with the structure of the existing social service systems create both external and internal barriers leading to under-utilization of social services. External barriers can be in the form of racism and insensitivity to language and cultural differences. Internal barriers can be in the form of mistrust, fear of the unknown, cultural values that preclude sharing problems outside the family, guilt, and an ideal of social solidarity over individual needs.

Therefore, it is clear there are many roles that an advocacy organization such as the National Asian Pacific Center on Aging (NAPCA) must play. One is to get the attention of policy makers to address these issues for our elders. Since 1979 NAPCA has provided direct services, research and outreach programs. NAPCA also has developed and maintained the most extensive national profile of the APA aging community. The information is invaluable at congressional testimonies, national conferences and on a daily basis, to community-based organizations.

One of the most important roles is to break down the barriers to API elders receiving services. We continue to form and work with community coalitions to create a linguistically and culturally competent infrastructure so API seniors can gain better access to meals on wheels, home health, senior centers, adult day care and respite care. Part of this involves educating our elders, which we've done in our coalition building. The more challenging part involves technical assistance to providers on cultural competency and finding organizations that can reach hard to serve population. The Older Americans Act included language that targets the most vulnerable populations

such as minorities, the poor and limited English-speaking elders. The Administration on Aging has funded specific demonstration projects designed to increase the capacity to serve minority elders. In linking CBO's that serve our community with the aging network. The National Asian Pacific Center on Aging along with other national minority aging organizations, such as, National Caucus & Center on Black Aged, National Indian Council on Aging and the National Association of Hispanic Elderly, have been leaders in the efforts to reach minority elders.

Where do we go from here and what can we learn from each other?

One thing we can do is share and exchange information on how our respective countries have met the challenges of an aging population. How do we meet the increased demand of growing number as well as reaching emerging populations and as hard to serve or traditionally disenfranchised groups of elders? While our systems are different, we are bound in our common desire to provide seniors with a secure dignified quality of life in their retirement years.

## **Federal and State Laws Regulating Nursing Homes**

Nursing homes who receive federal funds are required to comply with federal laws that specify that residents receive a high quality of care. In response to reports of widespread neglect and abuse in nursing homes in the 1980s, the Congress, in 1987, enacted legislation to reform nursing home regulations and require nursing homes participating in the Medicare and Medicaid programs to comply with certain requirements for quality of care. The legislation, included in the Omnibus Budget Reconciliation Act of 1987 (OBRA 1987), also known as the Nursing Home Reform Act, specifies that a nursing home "must provide services and activities to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident in accordance with a written plan of care..."

### Care Requirements

To participate in the Medicare and Medicaid programs, nursing homes must be in compliance with the federal requirements for long term care as prescribed in the U.S. Code of Federal Regulations (42 CFR Part 483). Under the regulations, the nursing home must:

Have sufficient nursing staff to provide nursing and related services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident, as determined by resident assessments and individual plans of care (42 CFR § 483.30).

Conduct initially (no later than 14 days after admission) and periodically (after a significant change in the resident's physical or mental condition and, in no case, less often than once every 12 months) a comprehensive, accurate, standardized, reproducible assessment of each resident's functional capacity (42 CFR § 483.20).

Develop a comprehensive care plan for each resident that includes measurable objectives and timetables to meet a resident's medical, nursing, and mental and psychosocial needs that are identified in the comprehensive assessment. The care plan must be developed within 7 days after completion of the comprehensive assessment and describe the services that are to be furnished. Also, the care plan must be periodically

reviewed and revised by a team of qualified persons after each assessment (42 CFR § 483.20).

Prevent the deterioration of a resident's ability to bathe, dress, groom, transfer and ambulate, toilet, eat, and to use speech, language or other functional communication systems (42 CFR § 483.25).

Provide, if a resident is unable to carry out activities of daily living, the necessary services to maintain good nutrition, grooming, and personal and oral hygiene (42 CFR § 483.25).

Ensure that residents receive proper treatment and assistive devices to maintain vision and hearing abilities (42 CFR § 483.25).

Ensure that residents do not develop pressure sores and, if a resident has pressure sores, must provide the necessary treatment and services to promote healing, prevent infection and prevent new sores from developing (42 CFR § 483.25).

Provide appropriate treatment and services to incontinent residents to restore as much normal bladder functioning as possible and prevent urinary tract infections and to restore as much normal bladder function as possible (42 CFR § 483.25).

Ensure that the resident receives adequate supervision and assistive devices to prevent accidents (42 CFR § 483.25).

Ensure that a resident maintains acceptable parameters of nutritional status, such as body weight and protein levels (42 CFR § 483.25).

Provide each resident with sufficient fluid intake to maintain proper hydration and health (42 CFR § 483.25).

Ensure that residents are free of any significant medication errors (42 CFR § 483.25).

Care for its residents in a manner and in an environment that promotes maintenance or enhancement of each resident's quality of life (42 CFR § 483.15).

Promote care for residents in a manner and in an environment that maintains or enhances each resident's dignity and respect in full recognition of his or her individuality (42 CFR § 483.15).

Ensure that the resident has the right to choose activities, schedules, and health care consistent with his or her interests, assessments and plan of care (42 CFR § 483.15).

Ensure that the medical care of each resident is supervised by a physician and must provide or arrange for the provision of physician services 24 hours a day, in case of an emergency (42 CFR § 483.40).

Provide pharmaceutical services (including procedures that assure the accurate acquiring, receiving, dispensing, and administering of all drugs and biologicals) to meet the needs of each resident (42 CFR § 483.60).

Be administered in a manner that enables it to use its resources effectively and efficiently to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident (42 CFR § 483.75).

Maintain clinical records on each resident in accordance with accepted professional standards and practices that are complete, accurately documented, readily accessible, and systematically organized (42 CFR § 483.75).

In addition to federal laws regulating the quality of care in nursing homes, states have enacted laws as well. The state laws must be at least as stringent as the federal laws. Some states have adopted laws that are tougher than the federal laws. In California, nursing home care and services are regulated under Title 22 of the California Code of Regulations.

In short, a nursing home must conduct an initial comprehensive assessment of each resident and periodic reassessments quarterly or as needed if there is a significant

change in the condition of the resident. From the assessment, a plan of care must be developed that specifies the necessary care that must be provided. The facility must have sufficient nursing personnel to provide all the necessary care to each resident in accordance with the assessment and plan of care. The nursing home is required to document the assessments, plans of care, and the care provided, in the resident's clinical record. With both federal and state laws regulating nursing homes, almost every aspect of a nursing home's operation and resident care are covered under the regulations. Thus, when a nursing home willfully does not provide required care that results in the deterioration and/or death of the resident, the nursing home may have violated federal and state laws. If the resident's care was being reimbursed by Medicare or Medicaid, then the nursing home may have submitted false claims to the government.

(2)

### **The Importance and Application of Expressive Arts Therapy in Work with Geriatric Clients**

by Susan Andrea Weiner, M.A.

Expressive Arts Therapy is a valuable addition to more traditional, verbal psychotherapies. In Expressive Arts Therapy, the approach is primarily non-verbal, utilizing visual arts, dance, drama, music and poetry to activate the creative process. Expressive Arts Therapy is significant for clients who cannot speak due to cognitive or physical limitations, and for those who will not speak due to emotional or social constraints. The focus of Expressive Arts Therapy can be on the process of creativity, the relationship between the client and the practitioner, or on the product that is created. Expressive Arts Therapy can be an end in itself, or a tool to deepen the work of verbal psychotherapies. The process of making art, writing poetry, incorporating music, or moving the body, allows the client and the therapist a window into the unconscious that can be opened to reveal deeper understandings and more peaceful acceptances of life's passages. Using the expressive arts as a therapeutic tool is a powerful way to support clients as they enter into the last stages of their lives. For geriatric clients, Expressive Arts Therapy can contribute to a more fulfilling, less conflicted, and healthier time of life.

When used within the framework of long-term care, Expressive Arts Therapy is beneficial for both the client and the caregiver. Using creativity as part of psychotherapy enables a client to go deeper into their own process, and allows psychotherapeutic work to progress quickly. For the caregiver, employing Expressive Art Therapy techniques is a way to connect with a client from a respectful, empowering place, and offers a way to access fundamental issues. Caregivers themselves benefit from Expressive Art Therapy techniques that allow them to access their own feelings of compassion, frustration, exhaustion, grief, and other emotions associated with caring for geriatric patients.

Expressive Arts Therapy is a useful therapeutic modality in work with both individual clients and in group therapy. Individuals benefit from a more playful, potentially less confrontational interaction with a caregiver. They are able to access emotions that words alone may not express. Using the creative process allows clients to express long-held grief issues, and can help in the physical and psychological stages of grief processing. Using these techniques in a group therapy context allows for community building and deepened relationships within a group.

Expressive Arts Therapy is not intended to provide a diagnosis of a mental or emotional disorder. Using a variety of creative modalities allows a client and a therapist

more access to deeper issues. After an art activity is finished, the product can be used to further deepen the work. The therapist acts as a curious guide, who allows the client to remain the expert on their own process. The artwork is allowed to stand alone, as a work of art, or it can be used to facilitate dialogues and deeper revelations. If allowed to “speak” art can carry a valuable message about and to its creator. While the product of the creative process can cast an important light on underlying conditions, it is the client’s interaction with the finished product, their relationship with the therapist, and their engagement with the art materials and art-making process that is most beneficial for health and healing. A client is a whole person, not to be viewed as a collection of disorders, and likewise, the product of a creative process is not to be judged or critiqued. Using Expressive Arts Therapy is a cost-effective way to promote mental and physical health for senior citizens and for the people who care for them.

Using the expressive arts as an adjunct to psychotherapy in both individual and group work allows for a dramatic change in functioning for clients both in the moment, and over the long term. In a particular case, a dying client decided to use the art supplies to make a birthday card for a young grandchild. Over the course of creating the card, and in interacting with the psychotherapist about the birthday card, the client was able to express her deep grief over not being able to be alive to experience future family milestones. The client did not feel able to express this to her family, but was able to write a poem inside the birthday card that spoke of her undying love for her children. The sense of relief she experienced from revealing powerful emotions enabled her to spend time with her family without the usual conflict and aggression that had previously marked most interactions. Without access to art supplies, and without the relationship to the caregiver, this client may not have been able to access her grief and achieve a sense of closure that allowed her to interact in a more meaningful way with her family.

In the same way, clients who are living in long-term care facilities can be helped to express their emotions of grief, shame and frustration about being forced to be dependent on strangers, and live away from their homes. In one particular case, a group of clients was asked to cooperatively create a miniature village using recycled materials and salvaged objects. They began each session in conflict over minor or perceived insults. Interactions of this kind plagued this group of previously independent people who were forced to live together at the end of their lives. Initially they were all resistant to working together, but through the interaction with the art supplies, and their engagement with each other and the therapist in the creative process, they left each session holding hands and smiling. After living full, independent lives in their own homes, they now found themselves in a more sterile, generic care facility. The village they created collectively allowed each of them to contribute something meaningful. A beautiful lamp was made for the “home” of one of the women who loved to read but was having trouble seeing. Several women worked together to create a painted pond for a former fisherman who missed this aspect of his life. Using the art materials allowed them to connect to each other on a deep level, and to share and value aspects of their lives that were no longer utilized. The level of conflict and hostility decreased dramatically, and the clients reported more contentment and acceptance of their situation.

In both of these cases, the cost of the art materials was negligible. The process was directed by the therapist, but the results were unique to the clients involved. With a minimum of effort, a woman plagued by unspoken grief that manifested as anger, was able to express her love for her family, and her sadness at leaving them. A group of strangers in a forced living situation engaged in a common goal and got to know each other as individuals who were able to provide something of value to each other. The product of the work in both cases was valuable, but it was the process of creativity that

allowed each of the clients to access deep feelings and translate these into more healthy relationships. They experienced relief in the moment, and their relationships benefitted over the longer term.

Experience has shown that the long range effects of caring for the elderly, if not articulated and supported, can be harmful to the psychological health of caregivers who have elected or are expected to devote their lives to this work. By using Expressive Arts Therapy techniques, elder care workers have been able to access their own reserves of compassion and strength, and have been able to reach a deeper understanding of their purpose and role in giving care. Mask making has been utilized to allow caregivers to reveal their strengths and frustrations about their work. While directly speaking about these feelings may be culturally and professionally inappropriate, meeting and interacting with these emotions on an artistic level is safe and enlightening. Masks are important objects that by their nature can conceal aspects of personality. They also can be made to reveal hidden depths of emotion that may not be able to be articulated. Under the direction of a therapist, masks can be made that reveal core issues related to job satisfaction, career choice, and feelings about the demands of working with the elderly. Caregivers express satisfaction with working with the art materials, and being encouraged to express themselves. The masks created can exist as finished products, or can be used to further deepen personal understanding through guided interaction and dialogue. Caregivers who have experienced this process report a deeper understanding of their strengths and limitations, and an enhanced enthusiasm for their work. By engaging in their own therapeutic process, caregivers can connect with the meaning of their work, and become more committed and connected workers. One caregiver reported that she had no idea that the work she was doing could be so valuable to somebody else, and that she felt an increased desire to serve the elderly in a meaningful way. Another caregiver was moved by the experience of having permission to express how she felt about her work. In making the mask and in interacting with a facilitator about the mask, this caregiver received feedback and validation about her worth as an employee and she reported that she had renewed energy for care giving. In another situation, a caregiver was able to articulate her distress over her career choice, and she was able to make adjustments before she or her clients suffered from her unstated frustrations. All of these caregivers benefitted from using Expressive Arts Therapy techniques to access deeper reserves of abilities, and to reveal their own commitment to caring for the elderly in humane, meaningful ways. In a short time, these caregivers experienced the power of interacting with art materials for personal growth, and were excited by the idea of applying these techniques to better support the clients they served.

Expressive Arts Therapy employs a variety of techniques to support the therapeutic process. A thorough intake assessment of each client should be conducted, and each caregiver should be trained to act as a guide to the creative process, and to feel comfort with a variety of modalities. It is not essential to be an artist to facilitate or participate in Expressive Arts Therapy activities. A belief in the power of the creative process to further understanding and healing, and a respect for the individuals involved is essential to successfully using Expressive Arts Therapy as an adjunct to psychotherapy. Because so many techniques can be used in doing this work, it is essential to understand the strengths and limitations of the supplies, and of the client. Each art supply is in itself an intervention that can be used to strengthen necessary defenses or to reveal what has been too deeply defended. Each art medium can be interpreted metaphorically. Certain techniques, like working with wet clay, may create a regression in a client, and may therefore be contraindicated in clients who are acting out and may need some containment. A client who needs to be more flexible and less rigid may benefit from working with oil pastels or chalk which can be blended to create new colors and softer textures. Can a client tolerate some lack of control, or does a client need stronger

boundaries are questions to be asked before presenting a client with art materials. Using art materials allows the unconscious processes to be revealed very quickly, and great respect must be paid to choosing appropriate techniques to best support each individual.

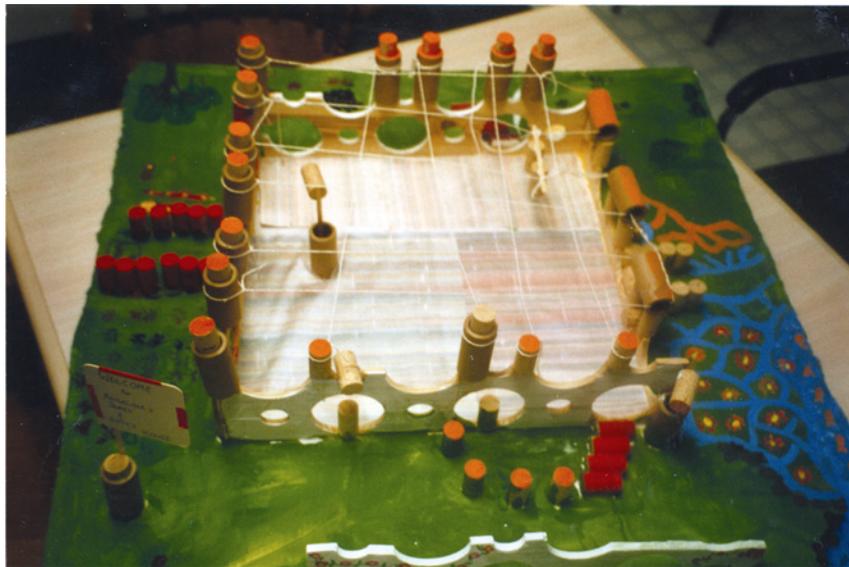
In some cases, emotional stability may be more valuable than self expression. Clients who are just beginning to suffer from dementia can use art to express their grief at their loss of functioning, and their frustration at processes that are beyond their control. Clients with later stage Alzheimer disease respond more to the soothing aspects of working with creativity, and can use art to create something pleasurable without needing the art to have any deeper meaning. In Alzheimer patients, engaging with the materials and interacting with the therapist is in itself meaningful and useful.

Clients can often be resistant to working with the creative process. In particular, clients who were artists may not benefit from this work. Their current level of functioning and ability at this stage in their life may be markedly different than it was before their cognitive or physical functioning began to change or deteriorate. Their inability to replicate their skill level when they were more artistically active may cause serious grief, anger, and frustration. It can be very wounding to ask a former artist to use skills that they can no longer access. A different approach to counseling should be utilized if using art materials causes too much distress.

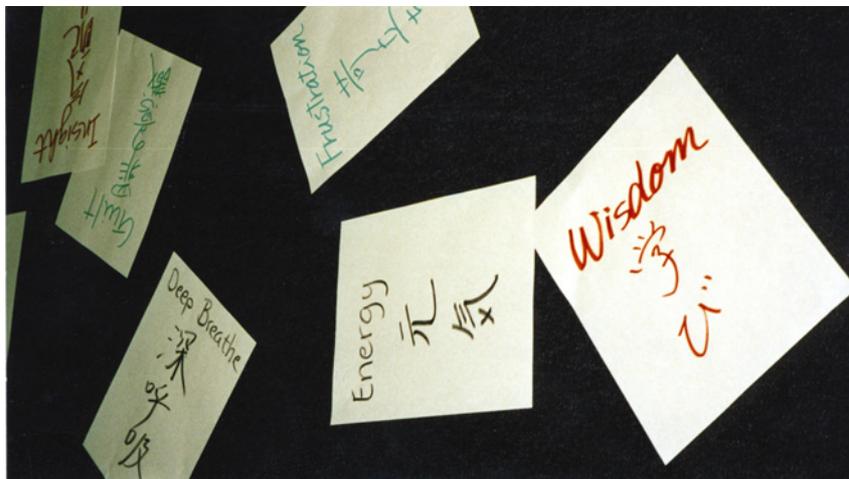
Many clients articulate resistance because the art project they are asked to do feels demeaning, and not sophisticated enough. It is essential to treat the client with respect, and not to insult the elderly with meaningless craft projects. Care should be taken to respect the level of functioning of each client and to provide activities that have personal meaning and cultural resonance.

Using creative arts techniques such as visual arts, dramatization, movement, music and sound, and writing of various kinds form the basis of Expressive Arts Therapy. When utilized in conjunction with psychotherapy, counseling becomes richer, and more meaningful, especially with clients and in situations when words alone cannot adequately address the issues. Dealing with anger, grief, life cycle endings, spirituality, frustration, and compassionate care in these creative ways helps to keep both caregiver and client healthy and functioning. An elderly client has the experience of engaging with something outside of themselves, in order to access conflicts and emotions that may be buried deep within.

It is important for people at all stages in their life to feel that what they are doing is meaningful and that they are making a valued contribution to their society. Although the healing focus of Expressive Arts Therapy work is on the process of creation, sometimes the product of the work itself is able to provide a meaningful legacy. Clients have expressed a sense of relief that they are able, once again, to produce something that has meaning, and that can be valued by their community. The creation of the art, the interactions between the therapist and the client, and the relationship the client has with their creation serves to deepen the psychotherapeutic work. When that process is completed, the product of the creative process itself can achieve a value of its own. In this way incorporating Expressive Arts Therapy into long-term care has tremendous value. Anyone who engages in the creative process, from client to caregiver, can reap the rewards of working deeply to better understand the self, to help navigate difficult life transitions, and to experience value and place within a community. For the therapist, to facilitate someone's expressive journey is a gift of honor. Using Expressive Arts Therapy techniques to support therapeutic goals is a valuable experience that allows for deep insight in short-term work. It is ideally suited for clients who are limited verbally, who can benefit from structured activity, and who have a lifetime of experiences upon which to draw. Expressive Arts Therapy is a valuable component of long-term care, one that can help geriatric clients have a more meaningful and healthier life.



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Ms. Cazeaux Nordstrum's article has been decided to publish under a separate publication.

XII. VIEWS AND OPINIONS EXPRESSED BY THE MAJOR POLITICAL PARTIES ON THE REVIEW AND AMENDMENTS TO THE CURRENT LAW(S)

As cited earlier, the Ministerial Commission on Social and Welfare Policy submitted its recommendations to the Minister of Health, Labor, and Welfare on the necessity of reflecting additional points which were discussed and deliberated in the proposed reviews and amendments to the current law(s). It may be said that the recommendations were unusual in context by citing various points, including how deliberations should be conducted by the Commission itself. As is obvious from the minutes of the meetings held, there were a number of points which were not solidified among the Commission's members. Nevertheless, the Commission's recommendations were submitted to the Minister in charge, and the bill for the amendments to the original law(s) is now placed on the floor of the Diet for further deliberations by the members of House of Representatives and the House of Councilors. In view of this situation, it is now appropriate to summarize the latest position that some of the major political parties have expressed as their official position on the issues as raised by the Ministerial Commission, as well as some of the concerns expressed by regional governments and the people at large.

1. Japan Communist Party

The Central Committee on Policy and Planning of the Japan Communist Party released its official views and policy on February 13, 2003, in the party's official publication under the heading "Urgent Appeals and Demands on the Process of Reviewing the current Law(s)." It has been pointed out that based on the party's findings regarding the points and issues which have emerged since implementation of the law(s) in 2000, the system is much less successful than the central government had planned. According to the party's assertions, only 40% of the elderly are using care services under the current system, and those who are not using care services under the current system are those who are categorized as having low incomes. It has been pointed out that although services for the elderly have increased under the system, there has been a decline of 10% for the poor. Additionally, the elderly who are provided in-home care services averages only 40%. The party maintains its original position that the co-sharing scheme should be changed from the current percentage to having the national government pick up its additional funding by twice the amount.

Comments on some of the cons of the current system and its proposed amendments to the current law(s) are summarized as follows:

- (1) It should keep the current premium as it is now, and further considerations should be given to those who are in need of special consideration due to their financial condition.
  - The government should share its co-sharing cost which, should raise by 30%.
  - Regional governments should use the initial funds set aside to subsidize these funds to assist needy beneficiaries of the

system by reducing their financial burden for paying for the additional cost of the premium.

- Regional governments that are faced with difficult fiscal conditions should be given a “waiver clause” to meet the payment due for some bounds that they had issued before, and a total ban on the additional cost on the premium be in place.
  - Special measures should be implemented so that those persons whose income level is below the poverty level do not have to pay for the premium.
- (2) The policies should be implemented as soon as possible to enable the poor to stay at home.
- Those who are at the poverty level should be provided in-home services free of charge.
  - It should expand short stays at institutional care facilities to reduce the burden on poor families who may not be able to provide care services for their elderly.
  - It is necessary to review whether or not genuine care services are provided fairly for the needy elderly.
- (3) Care services should be reviewed from both a quality and quantity point of view to see if they are properly in place.
- Special nursing home facilities should be increased and the community interactive support system be deployed as soon as possible.
  - It is necessary to enhance working environments and conditions for caregivers and other professional persons engaged in care services.
- (4) It was pointed out that some regional governments are not executing their own responsibilities and tasks which they should be performing. In some cases, they are subcontracted to private companies to do the job on behalf of the regional governments. In conclusion, the party has urged the governments to pay attention to these issues and problems, and to rectify them immediately as reflected in the recommended policies and points to be adopted.

The writer views the fundamental policy of the Japan Communist Party as being consistent with their party platform, which calls for a “tax” scheme, with funding to be made available to those persons whose incomes are below the poverty level, and also insistence on providing financial assistance to regional governments that are in fiscally difficult situations. The party has been insisting on adopting the scheme, which prevails in some Scandinavian nations where social and welfare

programs are well established with public funding (taxes). However, those nations are imposing a higher percentage of income tax and other forms of tax in order to support the programs. The Communist Party in Japan, however, is not in favor of increasing income tax or sales tax, which makes the party's policy unrealistic in terms of the fiscal view of the nation. It is necessary for the party to adopt a more realistic approach to the system for it to be sustainable.

2. Komei Party: The Caucus for the Komei Party's Policy on the Care Services Insurance System

Prior to the national annual meeting of the Komei party which was held in November, 2002, the party caucus was responsible for the policies and programs on the care services insurance system. It conducted a nationwide research, out of which was discovered the party's official policies on the process of reviewing the current system and the amendments required to the current law(s) by the end of March, 2003. The Komei party is one of the members forming the party in power in coalition with the Liberal Democratic party and other minor parties which formed the Koizumi cabinet. Because the Minister of Health, Labor, and Welfare is a member of the Komei party, their policies on social and welfare programs must be more or less in line with that of the central government. Mr. Sakaguchi is the Minister in charge for revising and amending the current law(s) as required, and it is interesting to note how the party's position in this regard has been shaped to meet the policy of the Koizumi cabinet.

The Komei party conducted its research from May 20, 2002, through June 20, 2002, and the findings reflected the party's official platform for the process of developing the revised points for amendments to the current law(s). The followings are summarized issues and points which the party identified as proposed amendments to the current law(s):

- (1) Numerous points and issues.
  - The status of infrastructural plans and programs should be reviewed.
  - Identify the reasons for the increased number of elderly who are being put on waiting lists for admission to the various institutional facilities.
  - How to cope with the increasing trend of the waiting list situation for the elderly.
  - Some of the issues associated with the expansion of institutional care facilities.
  - Recommendations to be submitted to the central government.
- (2) Some issues concerning care services provided.

- General overview of the current status of institutional care facilities available.
  - Issues concerning short stay and day services.
  - The issues of home visit nursing care and rehabilitation.
  - Problems associated with home visit nursing care and the quality of caregivers.
  - Issues associated with group-home care.
- (3) Issues associated with assessments methods and procedural matters.
- Level of assessments to be determined and related issues.
  - Reassessment procedural matters and related issues.
  - Home visit nursing care and relevant issues.
- (4) Issues associated with care plans and the tasks undertaken by care plans managers.
- (5) Level of care services to be provided, fees for care services and the amounts of the premium to be paid, and related issues and problems.
- Issues to determine the level of services and maximum amounts under the system.
  - Issues associated with fees for care services.
  - Issues associated with determining the appropriate rate for the premium.
- (6) Issues associated with fees for care services under the revised law(s).
- (7) Other relevant issues.

Some of the foregoing points and issues, which were further detailed, are included in the party's official adopted platform which was submitted to the Minister in charge on September 2, 2002. This was the party's official request for the Ministry to consider in the process of reviewing the revised proposal for amendments to the current law(s).

The request submitted to the Minister included the points which are listed hereunder:

- The admission policy for the elderly who wish to be admitted to special nursing homes should be reviewed as soon as possible, and a system of priority for admission should be put in place.

- Those persons who are on a waiting list for admission to a special nursing home should be eligible to be housed in places like group homes, particularly for those who are diagnosed with dementia. More dynamic policies should be implemented to expand institutional care facilities.
- In-home services should be enhanced, and short stay services should be expanded. It is necessary that fair care assessment methods be deployed.
- The assessment procedural system should be reviewed every six months to determine unnecessary expenses added to the cost for the system to be effectively sustained.
- Salary compensations of care plan managers should be reviewed to enhance and support their productivity.
- For beneficiaries of the system classified as No. 1, more detailed fee categories should be established, giving some consideration to their incomes.
- Further decentralization policies should be introduced enabling regional and local governments to adapt their own programs to those persons who need financial assistance to sustain their daily lives. In this case, special waiver measures should be adopted by regional and local governments to cope with each given situation, even if it may not be the wish of the central government.
- A system of ombudspersons should be promoted.

The Ministerial Commission's recommendations to the Minister in charge on the requirements of the revised points and issues to be reflected in the amendments to the current law is already placed on the agendas of many of the proposed bills at the current session of the Diet. It is questionable how the Komei party wants the points to be reflected in the proposed amendments. It is likely that their political platforms on these matters will be discussed after April 2000, at which time the second round of the review process will begin.

### 3. Social Democratic Party

The Social Democratic party made its policy public in its party platform, and will be used as the slogan for core election campaigns, which are scheduled to take place in 2003. The slogan that was adopted is as follows: "Get Back to Roots of Regions and Localities. Changes Will Be Generated From These Regional and Local Areas. Our Lives Will Change Accordingly." Under this slogan, the party cited that the care services insurance system should be reviewed because of so many issues that are not meeting the needs of the needy. It stated as follow:

- (1) Issues to be considered

- The current system and scheme is formed on durable bases, one being “premium” and the other being “fees for care services.”
- Demand and supply in the need of care services are not properly in place.

(2) Recommendations

- Regional and local governments should take more responsibility in ensuring that the needs of the elderly are being met.
- Fees for institutional care services and in-home care services should be the same.
- Detailed of fees for care services be made clear; what is the cost for care, what is the cost for beds, etc.
- Premiums and fees for care services under the system should be determined in accordance with the income level of the beneficiaries of the system.
- For care plans managers, expenses incurred while traveling and other clerical expenses should be deducted from their income tax.
- 24-hour, round-the-clock care services should be in place for in-home care services.
- Differentiation on the nature of home visit care help in terms of nursing care and other assistance is difficult, so it is recommended that the fees be unified accordingly.
- Home improvement services should be independently categorized, and should be left to the policies of regional and local governments.

The Social Democratic Party was the leading opposition party for a long time. The party was in power at the time in coalition with the Liberal Democratic Party, but the party lost many of its members in the last election, with some deserting the party to join another party. This made it difficult for the Social Democratic Party to be the prime opposition party to reflect their policies on the current review of the law(s).

4. Liberal Party

The Liberal Party has not officially made its platform regarding the process of reviewing the current system. The party’s position is that the system should be a “tax” rather than a “co-sharing” scheme. Because this

party is so politically oriented, it is hoped that a more clear and realistic platform will be presented.

5. Democratic Party of Japan

Now that the Democratic Party of Japan is in the position of being the leading opposition party, it is no surprise that the party will be more aggressive in pushing its political platform to be reflected in the process of reviewing the current law(s). In fact, Mr. Naoto Kan initiated the system of care services insurance law(s) to be enacted as law(s) when he was the Minister of Health and Welfare. He became the head of the party after power struggles took place within the party, and he is now trying to unify the party as the leading opposition party.

Although the party has not detailed their policies on the review process of the current law(s), cited below is a ten-point general outline of the party's recommendations for the next three years:

- (1) To promote good infrastructural environments to provide care services; services to be made as accessible as it possible.
- (2) A great deal of incentive be applied to enhancing the quality of care services; the regional governments must be responsible for a healthy, sustainable operation of the system.
- (3) Availability of group homes with high quality of care services to be provided; a reasonable fees to be paid to the caregivers.
- (4) Some specific measures to be implemented to ensure that working people can provide care services for their elderly; it is suggested that the system call them professionals rather than helpers.
- (5) In-home care services to be paid at a rate equal to that of institutional care facilities.
- (6) More effective measures to be implemented to raise the professional quality of care plans managers required to enhance in-home care services.
- (7) A minimum degree of medical care to be combined with care services; expansion of caregiver's area of professionalism.
- (8) Special measures to be implemented for giving financial assistance to those who are in need, such as a waiver of the premium and services fees.
- (9) Not-for-profit organizations to be given special status to engage in care services under the current system.
- (10) Review and amendments to the current law(s) to be done with a sense of quality oriented care services being in place.

## 6. Liberal Democratic Party

The Liberal Democratic Party is the leading party in power, and it has more members than any other political party in Japan. Within the party there are many factions. It has been stated that the Liberal Democratic Party is more or less a coalition party, with members belonging to the right wing or the left wing of the party. Because the Liberal Democratic Party is the party in power, it is expected to agree with the Ministry of Health, Labor, and Welfare regarding how the bill should be passed at the Diet, which will enact the proposed amendments to the current law(s). It is now being deliberated at the various committees of the House of Representatives and the House of Councilors of the Diet.

The foregoing chapters discussed the historical revolution of how the current system, under the title “Care Services Insurance Law(s),” came into being and what was discussed and deliberated at various places, including the committees at both houses of the Diet, prior to the enactment of the law(s) in 1997. The making of a law(s) is like a puzzle. It requires wisdom, energy, conciliation, vision, political maneuvering, and political and professional skill to guide the powers, including the parties in power and the government in power, to make the law(s) as it had been envisioned. As we continue to be faced with challenges in many area of our lives in the 21<sup>st</sup> century, we may encounter more complicated issues regarding the aging society in the next 50 years or so which we never could have predicted. The foregoing platforms adopted by the major parties in Japan may contribute to the enhancement of the care services system as we move forward with wisdom to challenge and redefine the true form of a sustainable system.

## XIII. CONCLUDING REMARKS

We have come full circle. During the 21<sup>st</sup> Century the number of aging persons is going to accelerate more rapidly than we will be able to predict at this moment. Additionally, the decline of the birthrate will make it much more difficult to provide the adequate supporting infrastructural resources, particularly the human resources to extend personal care services to the growing number of aging people. It is important that we establish infrastructural environments to the best of our ability in order to extend opportunities not only to the elderly but also to those providing care services. However, it may be more important to think of how “successful aging” should be defined and follow through with it.

In concluding this thesis, the writers hope that successful aging is a matter of philosophy and vision that each person must bear in his or her mind. This idea is well expressed by John W. Rowe, MD, and Robert L. Kahn, Ph.D., who contributed an interesting journal article titled “Successful Aging” to Gerontologist (Volume 37, Number 4, August 1997), which is quoted in part as follows:

“We define successful aging as including three main components: low probability of disease and disease related disability, high cognitive and physical functional capacity, and encouragement with life. All three terms are relative, and the relationship among them is to some extent hierarchical. Successful aging is more than absence of disease, important through that is, and more than the

maintenance of functional capacities, important as it is. Both are important components of successful aging, but it is their combination with active engagement with life that represents the concept of successful aging most fully.”

#### XIV. REMARKS AND APPRECIATIONS

The writing this thesis could not have been possible without guidance, assistance, encouragement, and support from many people around the world. The writers are grateful to our collaborators who contributed their articles from their respective professional points of view, as these articles have been valuable assets to this thesis. Mr. Clayton S. Fong, Executive Director for the National Asian-Pacific Center on Aging; Ms. Cazeaux Nordstrum, a Marriage, Family and, Child Counselor and an expert on clinical psychology; and Susan Andrea Weiner, an expert on Expressive Arts Therapy and an educator, devoted their precious time to writing articles which are included in this thesis.

The writers are also indebted to the valuable guidance, support, and materials provided by officials of the Ministry of Health, Labor, and Welfare; regional and local government officials of a few prefectures, cities, and towns; and institutional care services facilities in the regions. Their valuable information made this theses more primary-document oriented. Special appreciation goes to Mr. Takashi Karasawa, a former Senior Official in charge of Policy Planning at the Bureau of the Elderly and Welfare of the Ministry of Health and Welfare, and who is currently serving as Director of Section of Family Welfare Policy, and Mr. Hideki Tarumi, who also served in the same capacity as Mr. Karasawa before taking his current position as Director of the Office of Spokesperson at the office of the Ministerial Secretariat of the Ministry. Both of these men have provided invaluable assistance and support in enabling us to complete this thesis. Finally, our thanks go to Dr. John B. Tsu, who is currently serving on the Presidential Commission in the capacity of Chairman of the Presidential Commission on Asian Americans and Chairman of the U.S. Foundation for International Economic Policy. This Foundation is funded by the leadership of the U.S. Congress, both Republicans and Democrats, and their counterparts in the Japanese Diet, and is designed to promote a bilateral relationship on trade, education, and culture. Many of our friends in U.S. governmental entities and academics provided valuable materials and advice, which is being used as valuable materials and references as cited in the Japanese version. Additionally, our thanks go to Ms. Sherri Martin, who assisted us by editing the English version and putting it into a publishable form.

This document is the summarized English version of the Japanese thesis. It was written by Mr. Yusuke Kataoka and edited by Ms. Sherri Martin.

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  15. Committee of One Thousands Peoples for A Better Care-service Insurance System(March 11, 1997). “Demands for a revised(5) important issues and points”, which dealt with the pros and cons of the care-services insurance scheme as was being promoted by the government and the party in power. Tokyo.
  16. Asahi Newspaper,(November 1,1997). “ Asahi Newspaper’s special section dealt with the issue of the care-services insurance system by introducing the views and opinions of experts from academic and professional expert’s point of view under the tile of the section named as Debating Points”. Tokyo.
  17. Ministry of Health and Welfare(July 25,1995). Mr.Takeshi Karasawa, Senior Planning Director of the Bureau of Health for the Elderly, delivered a special lecture focusing on the care-services insurance system as envisioned with some detailed time table for the enactment of law(s), aiming at the enactment in 1997. The lecture was conducted in Shinsyu-machi, Nagano Prefecture. The detailed internal planning materials were made available. The materials made available dealt with(1)the expected share of costs by the beneficiary of the care-services under the proposed scheme and (2) The current system; its detailed contents of the services made available. Nagano, Japan.
  18. Ibid.
  19. Ibid.
  20. Ibid.
  21. Sakigake Party,(July 7,1995). “ Understanding and Consensus Reached Among the Three Party, Upholding Its Political Platform to Promote Its Important Policies”. Sakigake Party Press.Tokyo.
  22. Ibid.
  23. Shinshin Party,(July 6, 1995). “ Challenge for Reform and Realization of Responsible Political Platform”; it was made public as adapted as the party’s political platform in the general election predicted in 1996. Shinshin Party Press. Tokyo.
  24. Koumei Party,(February 3, 1995). “ Enactment of National Social and Welfare Taxes, designed to enhance a Revitalized Society”; The party urged for an adoption of a new

tax for social and welfare programs, aiming at the enhancement of financial resources for care-services for the elderly. Komei Press. Tokyo.

25 .Ibid.

26.Ashai Newspaper,(July 16, 1997). “ A Special Interviews Conducted by Mr.Jiro Arioka, Senior Editorial Writer of Asahi Newspaper with the leadership of the leading political parties in Japan, focusing on the issues of the care-services insurance system as proposed by the government and the party in power. Tokyo.

27.Ibid(July 17,1997).

28.Ibid(July 18,1997).

29.Ibid(July 19,1997).

30.Ibid(July 23,1997).

31.Ibid(July 23,1997)

32..Asahi Newspaper,(November 4,1997). “ A special section of the newspaper dealt with the issue of undefined areas between what is considered as medically oriented care-services and care-services as per se for the elderly”. Asahi Newspaper was critical of the system by citing as “the system in question is so dependable for medically oriented treatments for the care-services for the elderly rather than genuine care-services for the elderly”.

33.Asahi Newspaper,(November 4,1997). “ A special article was reported in dealing with the issue of insufficient state of progress for the infrastructure of facilities for the elderly to meet the needs of the elderly”.

34.Minutes of Social and Welfare Committee, the House of Councilor of Japanese Diet, (October 30,1997). Mr. Singo Haketa, Director General of the Bureau of Health for the Elderly, Ministry of Health and Welfare, commented his views concerning the plans for the enactment of care-services insurance system when he was questioned by the members of committee regarding Ministry’s position to structure the core of the system: Asahi Newspaper reported the essence of the questions and answers as exchanged at the committee’s hearings. Tokyo.

35.Asahi Newspaper,(November 4,1997). Under the title of “ Ministry of Health and Welfare decided to move on the enactment of care-services insurance system with many issues yet defined clearly”, the Ministry advanced its campaign toward the enact of the law(s).Tokyo.

36.Asahi Newspaper,(November 4,1997). A special article in the section of “Views and comments” elaborated the Ministry’s campaign; the pros and cons. Tokyo.

37.The Minutes of meetings of Social and Welfare Committee, the House of Councilor of Japanese Diet,(October through November,1997), which reveals the Ministry’s policy

- toward the enactment of the law(s) in question. Tokyo.
38. The Minutes of meetings of Social and Welfare Committee, the House of Councilor of Japanese Diet (October through November, 1997). The committee deliberated extensively the proposed law(s) focusing its issues and points on the core of the scheme of the proposed law(s) on whether or not it should be in the form of “taxes or insurance”. Tokyo.
39. Asahi Newspaper, (November 25, 1997). In its special article under the title of “Views and Comments”, the News paper presented the entire scheme as the Ministry of Health and Welfare’s policy on the law(s) being debated on the floor of the Committee of Social and Welfare. Tokyo.
40. The interview conducted with Mr. Junichirou Koizumi, the Minister of Health and Welfare (the current Prime Minister), (November, 1997). Mr. Koizumi emphasized the importance of de-regulation of care-services for the elderly and stressed the concept of “laissez-faire” as he is regarded as the champion of de-regulations.
41. Asahi Newspaper, (November 25, 1997). A special article under the title of “Views and Comments”, dealt with the issue of divided opinions prevailing among the members of the Ministerial Commission on Social Policy and the law(s) proposed was developed a solid vision due to the absence of the essential points not being agreed upon among the leadership in the power and the government. Tokyo.
42. Asahi Newspaper, (November 15, 1997). An article in the newspaper points out that many regional governments across the nation were divided in terms of what level of services fees for care-services be decided as well as the amount of care-services insurance fees which is proposed to be mandatory for payment from the age of 40 years old.
43. Tomoaki, Asakawa (1997). “Resolution for the enactment of Care-services Insurance Law(s) and infrastructure for care-services facilities”. Ministry of Finance’s Publication Office. Mr. Asakawa elaborates chronological way of how the core of the law(s) proposed were debated at the various committees of the House of Representatives and House of Councilor of Japanese Diet. Tokyo.
44. Ibid.
45. Ibid.
46. Asahi Newspaper, (November 24, 1997). “Nation-wide hearings conducted concerning the concerns and anxieties as expressed by regional and local governments on the proposed care-services insurance system”. The newspaper conducted the nation-wide hearings from regional and local governments, out of which 87% of these regional and local governments expressed their serious concerns about the core of scheme,

- particularly, the financial burden that might be imposed on them. Tokyo.
- 47.NHK TV,(November 24,1997). It reported that 123 regional, local governments expressed some concerns to maintain the proposed care-services insurance system due to their financial condition but 81% of them have admitted that the system should be in place as planned by the Ministry with the further refinements at later stage in order to reduce their financial burden. Tokyo.
- 48.Ibid.
- 49.The interview was conducted with Dr.Vietz of the Council General's Office of the Federal Republic of Germany in Osaka.(April 4,1997). He cited that his country decided to adapt "co-sharing system" rather than "tax scheme" to develop the core of care-services scheme due to the financial reasons that required for his nation to allocate its major financial resources for the reunification of a new Republic of Germany. Nagoya.
- 50.Asahi Newspaper,(November 24,1997). The newspaper revealed the further detailed of the concerns being expressed by regional and local governments; how it will affect their financial conditions and given specific answers as to why there are concerned about the scheme that the Ministry of Health and Welfare submitted to the Diet for the enactment of the proposed law(s). Tokyo.
- 51.Ibid. The newspaper cited about regional discrepancies exist among these regions, which makes it difficult for them to conform to the level of the amount of insurance fees as well as the care-services fees to be born by the beneficiaries of the insurance. Tokyo.
- 52.Ibid. The newspaper focus on the three major areas which requires the further consideration due to regional discrepancies exist due to different demographic, economic, business conditions and other cultural factors prevailing respectively in each region. Tokyo.
- 53.Mr.Yoshiharu Otsuka,Director General of the Bureau of Health for the Elderly, Ministry of Health and Welfare and his assistant, Mr.Yasuyuki Takai, Director in charge of the office of preparation for the implementation of care-service insurance system,( February 9,2000). The internal materials dealing with the schedule of the implementation of the law(s) as of April 2000 and the relevant documents and materials were made available at a special meeting hosted by Mr.Yoshiro Hayashi, the former Minister of Health and Welfare at its special meeting of" Study Group of the Issue of the Elderly" , held at Place Hotel, Tokyo.
- 54.Ibid.Mr.Otsuka provided the internal documents which contained the Ministry's plans on the care-services insurance system which included "fiscal budget plan in

the year 2000 when the system is implemented and the subsequent financial outlook to maintain the system in place. He also provided the documents and materials relating to the measures for the implementation of the system as the Ministry's plans. Tokyo

55.Ibid. Mr.Otsuka provided the Ministry's policy on "the detailed measures of implementation of "Gold Plan 21" which included some of key programs such as " an unit care system" .which will provide more privacy for the residents at institutional facilities and other programs.

56.Asahi Newspaer,(November through December,1997). The newspaper carried a series of the articles relating to the Ministry's plans on Gold Plan 21 and its pros and cons through the hearing that it conducted with regional, local governments as well as those who are going to be involved with the implementation of the law(s) as proposed. Tokyo.

57.Ibid.

58.Ministry of Health,Labor and Welfare,(December 14,2000). Mr.Hideki Tarumi, Senior Planning Official of the Bureau of Health for the Elderly presented the Ministry's initial report of how the system is functioning since the implementation of the system in April 1,2000. The presentation was made in Fukuoka,Japan.

59.The Minutes of the Ministerial Commission on Social and Welfare Policy, concerning a scheduled agenda to review and revise the amount of fees for care-services for the elderly and the premium of insurance which is due to be revised by the end of March, the year 2003. Tokyo.

60.Ministry of Health,Labor and Welfare,(August 31,2000). Mr.Takeshi Karasawa, Senior Policy Assessment Official of the Ministerial Secretariat of the Ministry, delivered a special lecture as a part of efforts to emphasize the Ministry's plans, designed to encourage "Unit care" system at institutional care-service facilities to upgrade the quality of care-services for the elderly. Nagoya.

61.Ibid.

62.Ministry of Health, Labor and Welfare(May 28,2001). The Ministry hosted a regular meeting of the regional government's official in charge of care-services insurance system, designed to inform and instruct those regional governments officials of the Ministry's plan for the further refinements and furtherance of the system with the Ministry's policy which will be implemented by regional government. The meeting has provided the various important materials and documents to ensure that the Ministry's policies will be carried out by regional governments to ensure that the system will be promoted and executed as an universal system. Tokyo.

- 63.Ibid.
- 64.The Minutes of the Ministerial Commission (January through March, 2003). The Ministerial Commission continuously deliberated some of the key issues and point in its task of recommending the revised care-services fees for care-services and the amount of the insurance premium to meet the needs of the viability of system to be in place. Tokyo.
- 65.Ibid.
- 66.Asahi Newspaper,(January 21,2003). The newspaper reports about the on-going process of revising and recommending for the new amount of fees for care-services and the amount of the insurance premium which are being reviewed and assessed after the trial period of the first three year's implementation of the care-service insurance system. The report points out that the further in-depth discussions among the parties concerned is necessary to make the system to be viable due to discrepancies exist among regions and localities due to their fiscal conditions, economic and business environments prevailing. NHK TV reported the same. Tokyo.
- 67.Asahi Newspaper(September 11,2003). The newspaper reported about the pros and cons of "unit care-services system". Tokyo.
- 68.Asahi Newspaper,(September 5,2002), In its special article, the Newspaper reported about the effect of increase of the premium of insurance. Tokyo.
- 69.Asahi Newspaper,(September 11,2002). The Newspaper covered in its special section on care-services for the elderly, concerning the issue of "Group Homes" as a means of coping with the dementia elderly. Tokyo.
- 70.Asahi Newspaper,(September 25,2003). The Newspaper covered in its special section on care-services for the elderly, concerning "the issue of de-regulation", allowing private sectors to engage in care-services for the elderly. Tokyo.
- 71.Asahi Newspaper,(September 30,2002). The Newspaper covered in its special section on care-services for the elderly, concerning the issue of "Amendments to the care-services insurance law(s) and pointed out the major issues and focal points in the task of developing the issues and some points which be incorporated in the amendments to the existing law(s) as a condition which was stipulated as the condition when the law(s) was enacted in 1997, to bring about the relevant law(s) to its final form, on the first round of revision of the law(s) by the end of March, 2003 and the subsequent task of making the existing law(s) to be its final form.
- 72.Asahi Newspaper,(October 9,2002). The Newspaper reported that the Ministry is reaching its plans to categorize (6) level of care-services required for the elderly depending on the outcome of assessments.Tokyo.

73. Asahi Newspaper,(October 29,2002). The Newspaper reported that the findings conducted by the Ministry of Health, Labor and Welfare, showed that a Special Nursing Homes gained the revenue and make substantial profits under the new care-services insurance system. The operation of Special Nursing Homes showed the increase of profits by 12.2% compared to “In-home care-services” which showed the decrease of profits by 20.2%. Tokyo.
- 74.The Ministry of Health, Labor and Welfare (October 31,2002). The website of the Ministry revealed that the Ministry has decided to change its policy to allow the providers of care-services for the elderly to make repayment of loans that they have obtained from quasi-governmental financial entities and commercial banking institutes, in order to enable the provider of care-services to be more flexible in terms of their operation which was strictly regulated by the government before. Tokyo.
- 75.Asahi Newspaper,(December 10,2002). The Newspaper reported that the Ministerial Commission reached the level of fees for care-services and the amount of the premium of insurance which will be reflected in the amendments to the existing law(s) which is needed to incorporate any necessary changes into the existing law(s) as the first round of task of amending the existing law(s) by the end of March, 2003. Tokyo.
- 76.The Ministry of Health, Labor and Welfare,(December 14,2002). The website of the Ministry revealed that the fiscal allocation of budget in the year 2002 for social policy related area amounted 20.53% in relation to the gross national revenue and pointed out that some substantial study must be conducted to see how the care-service insurance could be maintained as a viable system. Tokyo.
- 77.Asahi Newspaper,(December 29,2002).Asahi Newspaper has conducted the nation-wide hearings concerning the results of the first three year’s implementation of the care-services insurance system and also the policies and plans for the implementation of the system commencing on April 1,2003, which should have reflected and incorporated in the revised system as an amendments to the existing law(s) enacted in 1997. The report listed a number of concerns and demands which should be incorporated in the task of first round of revising the various issues and points in the law(s) which will be implemented as of April 1,2003. The writer of this paper have also conducted interviews with a selected regional governments and providers of care-service across the nation. Tokyo.
- 78.Ibid.
- 79.Ibid.Asahi Newspaper,(January 30,2003). Tokyo.
- 80.Asahi Newspaper,(January 29, 30, 31,2003; Ishikawa edition). Ishikawa, Japan.

- 81.Ibid.
- 82.Ibid.
- 83.Ibid.
- 84.Ibid.
- 85.Asahi Newspaper,(January 30,2003). Asahi Newspaper reported that if the increase of the premium of care-services insurance should be only a solution in order to maintain the system, which may create the negative impacts on the care-services insurance system and urged it necessary to give in-depth review of the system in the process of revising the law(s) in place in the next two years to bring about a final form of the system to become viable. Tokyo.
- 86.The writers conducted the interviews with Ms.Emiko Morita, Deputy Director in charge of the office of care-service insurance system, Ishikawa Prefecture,(November 12,2002). Ishikawa.
- 87.The writers conducted the interviews with Mr.Hiroshi Iwata, Administrator of Dai-ni Chojuen, a special nursing home in Komatsu city, Ishikawa,(November 13, 2002).He elaborated in detail how care-services under the newly introduced care-services insurance system affect the operation of his institutional facility. He cited about vagueness of the implementation of the law(s), which makes it difficult for the administrator to engage in the uniformed way of providing care-services for the elderly. Komatsu, Ishikawa
- 88.The writers conducted with the interviews with Mr.Tsutomu Iiida, Managing Director, Care town Takanosu, Takanosu, Akita Prefecture,(November 20,2002).Mr.Iiida elaborated how the town of Takanosu decided to undertake not only the building of the care-services facilities but also operate by the local government of Takanosu because of the reasons that social and welfare policy and its implementation should be in the hands of regional governments. This poses a question of whether the system be sustained by taxes or co-sharing. Karasuno, Akita Prefecture.
- 89.The writers conducted the interviews with Mr.Kikuo Akimoto, Administrator of care-services facility named “Hanano Ie”,(November 21, 2002). This facility was built by the town of Yuwa, Akita and the administrator is assigned from the town government. On de-fact basis, this facility is managed by taxes. Yuwa, Akita.
- 90.The.witers conducted the interviews with.Akita Prefecture Government, Mr.Takashi Ono, Director of the office of care-services insurance system,(November 22,2002). Mr.Ono emphasize the degree of support from the regional government even under the new system for care-services for the elderly because of cultural and financial

conditions which may not be the same as other regions and localities. Akita city, Akita.

91. The writers conducted the interviews with Mr. Ken Hiroe, Administrator of a special nursing home of Yojuen, Yonago, (January 15, 2003). Mr. Hiroe is the champion of deregulation for the operation of care-services system by reducing a matter of extreme administrative guidance by regional and local government. He believes that the open and free competitive way of operation of care-services facility for the elderly is the best way to enhance the quality of care-services. Yonago, Totsutori Prefecture.
92. The writers conducted the interviews with Mr. Yasumasa Kishida, Deputy Director of the office of care-services insurance system, Totsutori Prefecture Government, (January 16, 2003). Mr. Kishida commented the Prefecture's government's unique policy of developing the various programs to cope with the unique situations in which the families of the needed elderly for care-services are required. The prefecture is noted as one of the largest firm regions in Japan and during the period of harvesting crops, which necessitate the elderly who are placed "In-home" services must find the way to provide care-services for the elderly. Short stay program is one of these programs that the Prefecture provide an extensive service for the needed families. Totsutori, Japan.
93. The writers conducted the interviews with Mr. Yuji Oba, Deputy Director of the office of care-service insurance system, Tokyo Metropolitan Government, (October 2002 through March 2003). Mr. Oba provided the various materials including "the site hearings conducted by the government to identify the number of the elderly who require an immediate admission to special nursing homes. The results of the hearing conducted with families of the elderly needing care-services at Special Nursing Homes is numbered as more than 25,495 persons and that each elderly is applying for admission to special nursing homes on multiple basis (2-3 facilities). Tokyo Metropolitan Government is implementing the various programs to cope with this demanding situation for the admission of the needy elderly for special nursing homes. Tokyo.
94. Shibuya-ward and Association for Enhancing the Better Livelihood, (February 12, 2003). The Association's Weekly Bulletin reported that the issue of increase and decrease of the premium of care-services insurance must be flexible enough to decide by giving due consideration of the situation surrounding the localities due to the differences exist in terms of the financial situation of not only the local governments but also the level of incomes of the residents in that localities. Shibuya, Tokyo.
95. The Minutes of the meeting of the Ministerial Commission on Social and Welfare

- Policy, the Ministry of Health, Labor and Welfare,(January 23,2003). Mr.Katsu Nishio, Chairman of the Sub-Committee of the Social and Welfare Policy submitted the recommendation concerning “an appropriate level of fees for care-services under care-services insurance system as well as the amount of premium of care-services insurance system, which provided as a basis for Minister,Sakaguchi to decide the final fees and premium in terms of the amount to be applied and incorporated in the amendments to the care-services insurance system which is due to be revised by March 2003. Tokyo.
- 96.Tokyo Metolopolitan Government,(February 2003).The government released its mid-term report concerning the policy of the government for the fiscal 2003, regarding the programs for care-services for the elderly. Tokyo.
- 97.Ibid. The documents and materials as cited in 96. Tokyo.
- 98.The writers conducted the interviews with Mr.Kurii, Director in charge of care-services insurance system, Hokaido Government,(February 27,2003). Mr.Kurii elaborates the unique policies and programs that Hokaido Government is implementing to cope with care-services insurance system in order to meet the special conditions exists in an isolated island of Hokaido where economic,business and social conditions are different from the main island of Japan. Mr.Kurii emphasizes that more autonomous authorities should be vested in regional government to adapt its unique policies and programs to meet the needs of the regions and localities such as Hokaido. Satsuporo, Hokaido.
99. Administration On Aging, Department of Health and Human Services,(September, 2002). Ms. Marla I.Bush, International Coordinator and Mr.Brandt M. Chviroko, Office of State and Community Programs provide the writer with the opportunity of discussing the issue of care-services for elderly. The various important and useful materials are made available for this thesis, in particular, the materials relating to how the Older Americans Acts was enacted with the subsequent amendments to its original act. The writers used the materials under the title of “Toward a National Policy on Aging: The Historical Evolution of Programs for Older Americans” in order to demonstrate how the relevant law(s) come into being as it is now. Washington D.C. U.S.A.
- 100.Mr. Clayton S. Fong, Executive Director, National Asian Pacific Center on Aging,(January 2003). Mr.Fong is a co-author of this thesis by his contribution of his article under the title of “Importance of socio and heritage factors for care services for elderly in the United States: its value and the issues in question”.Seattle, Washington, U.S.A.

101. Ms. Susan Andrea Weiner, Eldercare specialist and educator specializing in “Expressive Arts Therapy” for counseling. She is a co-author of this thesis by her contribution of her article under the title of “The Importance and Application of Expressive Arts Therapy in Work with Geriatric Clients”. (January, 2003). Orinda, California, U.S.A.
102. Ms. Cazeaux Nordstrum’s article was decided to publish under a separate publication.
103. Japanese major and leading political parties official platforms, quoted from its publication and its home-pages, (1997 through 2003). Tokyo.
104. Japan Communist Party; the Central Committee of the Party, (February 23, 2003). Tokyo.
105. Komei Party; the Headquarter of the Party’s Policy Committee on Care-services Insurance System, (September 29, 2002). Tokyo.
106. Democratic Socialist Party; the Party’s Political Publication; “Challenge for changes by communities, change the communities and change way of life”. (December 1, 2002). Tokyo.
107. Liberal Party; the Party’s Political Platform Publication, (July 5, 2001). Tokyo.
108. Democratic Party of Japan; Mr. Takashi Yamamoto in charge of Health, Labor and Welfare (as the shadow Minister), proposes (10) points political platform on care-services insurance system. Tokyo.
109. Liberal Democratic Party. Since the party is the major party in power, the policy of Liberal Democratic Party is regarded as that of the Ministry of Health, Labor and Welfare. Tokyo.
110. John W. Row, MD. And Robert L. Kahn, PhD.” Successful Aging”, the article contributed to *The Gerontologist*, Volume 37, August 4, 1997, Washington D.C. U.S.A.

Note: Since English version of this thesis is a summarized version of Japanese thesis, it has omitted to make reference numbers in the context of each page which is done for Japanese version. The writers thought, however, that it might be useful to list up the reference numbers in English version which corresponds to that of Japanese version as it may be the case that some of readers of this thesis can comprehend Japanese language and its meaning for the further detailed information on the resources of materials, documents listed and the interviews conducted..

May, 2003

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Graceful Shimosuwa's Eldercare Community where the residents interact with each other together with staff and friends visiting with them. Graceful Shimosuwa is located in Shimosuwa-town, Nagano, Japan; one of the famous resort regions.