



## Getting Wiser about Growing Older – Lessons from Japan

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People growing old in the United States face mind boggling out-of-pocket healthcare costs. Seven of every ten will need long-term support services costing on average \$45,000 annually. A minority will need extended stays in nursing homes costing an average of \$90,000 per year. Few Americans can afford such costs. Public programs such as Medicare, the federal health insurance program for seniors, do not cover long-term support services. Medicaid, the federal-state partnership covering the neediest citizens, covers such services only after people “spend down” assets and become impoverished. Private insurance is no better. It is proving ever harder to obtain, with insurers increasing premiums and pulling out of the market.

By contrast, people growing old in Japan can rest assured that they will be cared for. In Japan, a system of public, mandatory long-term care insurance was enacted in 1997 and implemented three years later, designed to help elders requiring long-term care carry out daily routines in their homes and communities for as long as possible. Starting at age 40, every Japanese citizen pays a monthly insurance premium; at age 65 (or sooner if they become sick with an age-related illness), they are eligible for a range of services, including adult day care, dementia day care, lunch delivery, and assistance with bathing. Japan’s insurance system provides direct care (not cash, as in other nations, such as Germany).

### The Moral Argument for Long-Term Care Insurance

Moral arguments for long-term care insurance have broad appeal.

- Conservative principles lend strong support to long-term care. As champions of self-reliance, otherwise reluctant Republicans can support planning for care in old age as a way to help people avoid burdening other people, especially family members. And of course diseases of old age are not just the result of personal choices, for which individuals could be held accountable. About half the burden of disease among people over 60 is unrelated to lifestyle choices.
- Progressives support long-term care on different grounds. Democrats endorse long-term care by appealing to a principle of sufficiency, which holds that society should ensure that all people lead lives of human dignity and have a social safety net of basic services ensuring this.

Critics who say the United States cannot afford public long-term care should think again. U.S. public spending on long-term care is currently comparable to Japanese spending, yet guarantees none of the services Japan offers. While Japan invests primarily in home and community care, the United States invests mostly in institutional services, like skilled nursing care. Helping people remain in their communities as long as possible costs less, reducing demand for more expensive skilled nursing and acute care.

Some claim that families can handle long-term care for the elderly, but they too should think again. Japan, a nation which epitomizes family values and the Confucian ideal of filial piety, nonetheless enacted public long-term care insurance. Japanese citizens understood that as their ranks of older citizens grew, the number of younger people available to care for dependent elderly members was shrinking. As a result, caregivers were increasingly overburdened. As home to the oldest population in the world, Japan recognized that honoring families required supporting family caregivers, who were struggling to meet the demands filial piety placed on them.

### The U.S. Political Challenge

The U.S. Congress has tried and failed to enact long-term care on more than one occasion.

- A first attempt was the Community Living Assistance Services and Supports (“CLASS” Act). CLASS proposed a voluntary, public long-term insurance plan to help defray the costs of long-term support services. It resembled Japan’s effort to keep people in their homes by providing home and community services. First introduced in 2007, it was later added to Obama’s Affordable Care Act, but rescinded before the Act became law due to concerns that a voluntary program would enroll only those who already needed long-term care.
- Congress acted again in 2013, forming a 15-member Commission on Long-Term Care tasked with recommending a “plan for the establishment, implementation, and financing of a comprehensive, coordinated, and high-quality system that ensures the availability of long-term services.” The Commission failed to reach consensus.

In 2017 efforts are again in the offing – and this time we have reason for cautious optimism in light of bipartisan support. According to a 2013 Harris poll, over two-thirds of U.S. citizens favor a government program to help pay for long-term care, including half of Republicans respondents. Both the Bipartisan Policy Center (formed by Republican and Democratic senators) and the Long-Term Care Financing Collaborative (which brings together people with conflicting views) have agreed about key elements of long-term care policy, including: improving the private insurance market, offering public catastrophic insurance, expanding Medicaid on a sliding scale, and providing home and community services that support family caregivers.

## What May Lie Ahead

Although an undeniable gap exists between agreeing to guidelines and passing legislation, the time to bridge this gap is now. Aging has become the elephant in the U.S. healthcare reform debate. Like Japan’s, the U.S. population is rapidly aging. As the United States looks for ways to meet the needs of older citizens, it can learn from nations like Japan, which have already faced these issues.

We can also learn from Japanese Americans, who constitute the oldest U.S. ethnic community. The largest Japanese-American elder healthcare organization, Keiro Senior Health Care, gives a glimpse of what the future could hold for all Americans. Its Institute for Healthy Aging runs community programs for Japanese seniors that assist family caregivers, promote healthy living, and make available a range of services aimed at keeping people in communities.