

# **Construction of Long-term Nursing Insurance System for the Elderly in Shaanxi Province**

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**Abstract:** The domestic research on the long-term nursing insurance system for the elderly mainly focuses on three aspects: first, the necessity and feasibility of establishing the elderly long-term nursing insurance system in China; second, the demand for aged nursing; third, the introduction to foreign systems and their enlightenment to China. However, most of these studies are mainly based on introduction and description. The research on the logic of foreign system design and the basis of policy selection as well as the comparative analysis of the nursing insurance system with existing pilot areas in China still needs to be in-depth. This work selected representative regions to investigate people's perceptions and needs for long-term nursing, so as to conduct exploratory research on long-term nursing in China through observing details. From the perspective of demand, this work first analyzed the feasibility and obstacles of implementing long-term nursing based on the actual situation in Shaanxi province, and then drew the basic conclusions that social security long-term nursing can be set up separately. Finally, this work outlined a long-term nursing system for the elderly including specific insurance arrangements, service delivery, quality control and other supports.

## **1. Introduction**

Long-term nursing insurance is a kind of health insurance paid to the paramedics when insurers lose all or part of their body functions due to the age, chronic illness, accidental injuries or other causes, which means they could not take care of themselves and need to receive long-term rehabilitation and care. At present, adopting the social insurance model for the long-term nursing insurance has achieved a unified understanding, but there is still a lack of mechanism in the financing model. In the demand assessment, there is no objective evaluation system, and it is impossible to standardize the evaluation criteria. The level of the existing evaluation criteria is quite different from the actual nursing intensity, which is difficult to be accepted by the old-age institutions. Therefore, it is necessary to refer to the experience of Germany and Japan, especially the idea of institutional design, so as to comprehensively design the insurance system from the perspective of fiscal balance and strengthen the emphasis on the rehabilitation of the elderly from the perspective of prevention. It is also necessary to make the purchase and payment of elderly care services based on the service evaluation effect, so as to realize the optimization of long-term nursing insurance system for the elderly in Shaanxi province and improve the work efficiency of long-term nursing for the elderly in Shaanxi province.

## **2. Current Situation of Long-term Nursing Insurance for the Elderly in Shaanxi Province**

According to the data of the long-term nursing status of the elderly in Shaanxi province in 2018, the overall participation of the elderly in Shaanxi province is not strong and the participation enthusiasm is poor, since they consider that the long-term nursing has little effect. As shown in Table 1.

**Table 1.** Proportion of Elderly People in Shaanxi Province Who are Unwilling to Participate in Long-term Nursing

Age	Percentage of the Same Group	Place of Residence	Percentage of the Same Group
< 25 years old	75.0%	Urban areas	59.9%
25 - 39 years old	51.8%	Villages and towns	65.5%
40 - 59 years old	65.4%	Rural areas	72.0%
≥ 60 years old	79.9%	/	/

The total number of people participating in long-term nursing insurance in the above survey is no more than 60%, which is far lower than other regions. The specific conditions are shown in Table 2.

**Table 2.** Status of Long-term Nursing Insurance of the Elderly in Shaanxi Province

Influencing Factors	Insured Objects	Specific Factors	Percentage of the Same Group	Insured Objects	Specific Factors	Percentage of the Same Group
Age	Parents	Under 25 years old	97.4	Own	Under 25 years old	75.9
		25-39 years old	98.7		25-39 years old	81.4
		40-59 years old	92.6		40-59 years old	92.8
		Over 60 years old	43.1		Over 60 years old	79.9
Number of children	Parents	No children	98.0	Own	No children	80.3
		1 child	92.5		1 child	85.2
		2 or more	81.9		2 or more	98.4

The main issues are summarized as follows:

(1) The funding mechanism is unclear. The funding model is mostly transferred within the medical insurance fund, and individuals and units do not need to pay separately. This not only brings great pressure to the medical insurance fund, but also easily leads to excessive waste of the medical insurance fund. In fact, many regions in China are currently running deficit of medical insurance fund, and the guarantee of acute medical service demand cannot be maintained, let alone the release of nursing service demand. Therefore, establishing a long-term nursing insurance system for independent insurance and formulating a sound financing mechanism are prerequisites for ensuring the sustainable development of the long-term nursing insurance system.

(2) There is a lack of compensation for the demented elderly. Long-term nursing insurance compensation only includes severely disabled elderly people, but does not include demented elderly. However, demented elderly family nursing is precisely the weakest link in family nursing ability, which is also the object that developed country endowment protects above all.

(3) The evaluation criteria are not scientific enough. At present, the national level of nursing assessment standards mainly includes the ability assessment scale for the elderly of the Ministry of Civil Affairs, and local standards mainly include Xi'an Barthel scale, daily life activity assessment scale, and unified nursing needs assessment in Shaanxi province. The Shaanxi provincial standard not only covers physical social activity, but also includes the assessment of the cognitive ability of the elderly. Regrettably, these assessment criteria are based on their ability to live, rather than on the difficulty of care services. Due to the lack of service time measurement, the level of demand is deviated from the actual difficulty of nursing. Therefore, the evaluation criteria of the pilot areas have been pointed out by scholars that they cannot provide effective and continuous services due to their lack of scientific and fine grading standards.

(4) Medical nursing and life nursing nodes are unclear. Medical insurance funds in some pilot areas are used to purchase life nursing services, which not only does not meet the medical insurance treatment project catalogue, but also brings misplacement in the quality of medical service and quality nursing.

### **3. Construction of Long-term Nursing Insurance System for the Elderly in Shaanxi Province**

#### **3.1 The government should give subsidies to actively guide and establish a long-term nursing insurance system.**

Compared with market-based commercial insurance, social insurance led by the government has more advantages. Due to the slow development of the insurance industry in Shaanxi province and the unreasonable establishment of the organization, the quality of service is hard to guarantee. In addition, due to the lack of positive publicity, urban residents have a great prejudice against commercial insurance, which greatly limits the development of long-term nursing insurance. The government's participation in long-term care insurance subsidies can not only directly alleviate people's purchasing pressure on long-term nursing insurance, but also help increase people's trust in commercial insurance and drive the development of other commercial insurance products. While stimulating demand, it is also essential to establish a comprehensive long-term nursing insurance system.

The standardization of the long-term nursing insurance market will be an important driving force for the subsequent development of long-term nursing insurance. Government coercion can be used when necessary, that is, through the government's coercive force, every citizen who reaches a certain age must participate. It is conducive to realizing the law of large numbers and improving the efficiency of insurance funding, so as to minimize adverse selection, moral damage and effective supply shortages, reflecting the principle of social equity. However, the precondition for compulsory insurance must be that the society has a certain economic burden, citizens generally have insurance awareness and willingness to participate in the insurance, the legal system is perfect and the government has certain management experience.

#### **3.2 Popularizing nursing services and the expanding the potential needs of long-term nursing insurance**

With the gradual changes in people's concept of elderly nursing and the needs of elderly nursing, the formal nursing service industry is also booming. However, the quality of nursing services is uneven, there is no standard system constraint, nursing staff knowledge reserve is insufficient, nursing costs are high and other problems have become the main constraints on the development of the nursing industry. Many elderly people have therefore abandoned the elderly nursing and switched to traditional family pensions, which indirectly leads to a decline in the potential demand of long-term nursing insurance. Therefore, standardizing the nursing service industry and reducing the cost of nursing services are effective ways to promote the demand for long-term nursing insurance. It is necessary to defining the basic attributes of medical and nursing services and the definition of the respective concepts and categories between medical nursing and life nursing. In order to correctly predict the demand for long-term nursing in the future, it is necessary to establish an objective nursing level assessment model based on needs assessment, which can provide corresponding services according to the classification of needs and build a nursing and protection system in line with the actual situation in Shaanxi province. Therefore, an effective financing model and compensation mechanism can be established to make reasonable use of limited resources and ensure the sustainable development of the long-term nursing system for the elderly.

#### **3.3 Making the choice of nursing mode and promoting the effective demand of long-term care insurance**

Community nursing relies on the community and its health service station, in which the elderly can receive nursing services directly in the community nursing service agencies by means of professional nursing staff and community doctors. The content of community nursing includes not only daily life nursing and rehabilitation training, but also disease prevention and spiritual comfort. For one thing, community nursing can enable the elderly to receive nursing services in a familiar living environment and reduce the pressure on the cost of nursing services. For another, it can promote the re-employment of laid-off workers in the community, encourage the growth of community volunteers, and create a good cooperative atmosphere in the community. Therefore,

when developing long-term nursing insurance, it is important to focus on the development of home nursing and community nursing supplemented by institutional nursing.

It can also develop volunteers to encourage the younger elderly to take care of the older elderly. The "Time Bank" can store and record the time of their volunteer work, so that when they are old or need nursing services, they can enjoy the same amount of nursing free of charge, which reduces the cost of long-term nursing in the future and creates a good atmosphere for mutual help.

### **3.4 Pricing products reasonably can eliminate the contradiction between supply and demand**

Product pricing is the focus of supply and demand conflicts. In the process of long-term nursing for the elderly in Shaanxi province, 26.97% and 25.28% of the total population want to be priced at 5% and 10% of monthly income respectively. The older people are, the less they are willing to pay as a percentage of their monthly income. However, the current pricing of long-term nursing insurance in the domestic market is mostly higher, and the rate increases with the age of the insured at the time of insurance. The contradiction between supply and demand is the biggest obstacle in the development of long-term nursing insurance. Under the premise of the government participating in subsidies or giving tax incentives to insurance companies, insurance companies should consider reasonable pricing from the perspectives of age, monthly income, chronic disease status and other insurance participation to meet the actual needs of policyholders.

## **4. Summary**

The construction goal of long-term nursing insurance in Shaanxi province should be to build a social basic nursing insurance system with compulsory, wide coverage and multiple burden. With the aging of China's population, the problem of long-term nursing of the elderly is increasingly prominent. How to meet the growing long-term nursing needs of the elderly and how to raise funds for such needs and provide economic security have become a social problem that urgently needs to be studied and solved.

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