

Thirty Successful Experiences of Redistribution, Reduction,
Recognition, Remuneration and Representation in Care Work

Public long-term care insurance, South Korea



Public long-term care insurance, South Korea

Country or location of implementation: South Korea

Instances and/or legal framework responsible for its implementation: National Health Insurance Service (sole public insurer), under the supervision of the Ministry of Health and Well-being

Specific issue covered and beneficiaries of the action or policy

The program offers a comprehensive package of home and institutional care, aimed primarily at the elderly who need assistance in daily living. Unlike many Western countries and neighboring Japan, Korea adopted long-term social care insurance in 2008, providing universal and comprehensive coverage for the elderly when its population was still young and people aged 65 and over constituted about 10% of the total population. At that time, Korea shifted from a tax-based insurance program operated by the local government targeting low-income elderly people, to the current universal public system run by the National Health Insurance Service, which is the sole public insurer (Kim & Kwon, 2021).

The beneficiaries of public long-term care insurance are all of the Korean population, but it mainly targets elderly people (65 years and older) and younger people with care needs. Eligibility is determined by a care needs certification system which uses a 52-item standardized functional assessment tool and a nationwide assessment procedure. A system of six levels of dependency currently operates: from Level 1 (fully dependent) to Level 4 (moderately dependent), followed by Level 5 (a special level for people with dementia with milder physical dependency). In 2018, another special level (Level 6), called the “cognitive care” level, was introduced, again, for people with dementia, which provides in-kind family respite care and benefits for day attendants (Kim et al, 2013).

The main type of benefit consists of in-kind services, which include both institutional, home and community-based services (HCBS). The monthly benefit is determined by the level of need, assessed through the CNC system. With the maximum monthly allowance, LTCI beneficiaries and their families are free to choose and combine services as they wish, as there is no care management

service. A special cash benefit is allowed for people with limited access to in-kind services; areas of difficult access are officially designated by the Ministry of Health. Payment schemes vary by benefit type; institutional care, day/night care, and short-term benefits are reimbursed per diem. In the case of HCBS, nursing and attendant care benefits are reimbursed on an hourly payment basis, and bathing benefits are paid per visit. (Kim & Kwon, 2021).

Results expected from and obtained with the action or policy

Korean public long-term care insurance started out covering a relatively small group of elderly people with high care needs and has continued to expand its population and service coverage as well as its infrastructure over the past decade. The number of certified people in need of care has increased, growing by 9.9% per year on average between 2009 and 2018. This number rose to 8.8% of the total elderly population in 2018; a total of 670,810 people (Kim & Kwon, 2021).

Public spending on care insurance per beneficiary increased by 5.4% per year on average (2009–2018) to 12,705 USD (0.37% of GDP) in 2018. More than ten years after the system's implementation, elderly people with a high level of need have been covered and the infrastructure for service delivery has been established. Second only to Japan (in Asia) to implement universal coverage of long-term care services for all senior citizens with certain levels of functional limitation, regardless of economic or family status, is a major achievement for the welfare state in South Korea (Kwon & Holliday, 2007).

Obstacles and challenges in the implementation of these policies and actions

At first glance, challenges to the current system appear to be twofold: its financial sustainability over time, and improvement in the quality of its care services. Considering the rate of aging in the country, Korea must continue to expand its coverage while taking into account the financial sustainability of the system. Evidence-based policy development should be increased, and dialogue regarding policy among various stakeholders in the health and care systems should be facilitated through a national policy process. Second, along with population coverage, improving service coverage and ensuring quality of care will be a key issue in the coming decades. The quality of

care is reported to be higher in government institutions than in their private and community counterparts (Kim & Kwon, 2021).

Justification of compliance with the inclusion criteria

South Korea's public long-term care insurance is a good practice of universal public care services for dependent elderly people. It is a policy that recognizes care work as a fundamental part of well-being, reduces the amount of care work in the hands of families through its services and benefits, at home or in institutions. It is a system that, after more than 10 years of implementation, has proven to be a solid and far-reaching policy in the fight to solve a public problem as pervasive as the progressive aging of the population and the consequential increase in the demand for care services.

For more information, visit olc.worldbank.org/content/2020-long-term-care-insurance-system-south-korea