

CRC 1342 No.3

Social Policy Country Briefs



South
Korea

Linh Truong

The Long-Term Care System in South Korea



Global Dynamics
of Social Policy CRC 1342



Deutsche
Forschungsgemeinschaft

Linh Truong

The Long-Term Care System in South Korea
CRC 1342 Social Policy Country Briefs, 3
Edited by Johanna Fischer
Bremen: CRC 1342, 2020



SFB 1342 Globale Entwicklungsdynamiken von Sozialpolitik /
CRC 1342 Global Dynamics of Social Policy

A04: Global developments in health care systems and long-
term care as a new social risk

Contact: crc-countrybrief@uni-bremen.de

Postadresse / Postaddress:
Postfach 33 04 40, D - 28334 Bremen

Website:
<https://www.socialpolicydynamics.de>

[ISSN 2700-4392]

Funded by the Deutsche Forschungsgemeinschaft
(DFG, German Research Foundation)
Projektnummer 374666841 – SFB 1342

Linh Truong

The Long-Term
Care System
in South Korea

CRC 1342
No. 3

THE LONG-TERM CARE SYSTEM IN SOUTH KOREA

Linh Truong*

CONTENT

- 1. COUNTRY OVERVIEW 3
- 2. LONG-TERM CARE DEPENDENCY. 3
 - a. Population statistics 3
 - b. National definition and measurement of long-term care dependency 4
- 4. FIRST PUBLIC SCHEME ON LONG-TERM CARE 4
 - a. Legal introduction 4
 - b. Characteristics of the long-term care scheme at introduction. 4
- 4. SUBSEQUENT MAJOR REFORMS IN LONG-TERM CARE. 5
- 5. DESCRIPTION OF THE CURRENT LONG-TERM CARE SYSTEM 5
 - a. Organizational structure 5
 - b. Service provision 6
 - c. Financing 6
 - d. Regulation 6
- 6. LIST OF ADDITIONAL RELEVANT LAWS. 6
- REFERENCES 6

*leelinh95@gmail.com

1. COUNTRY OVERVIEW



Source: OnTheWorldMap.com

- » Sub-Region : East Asia
- » Capital: Seoul
- » Official Language(s): Korean
- » Population size: 51.7 million (World Bank 2019)
- » Share of the rural population: 18.57% (World Bank 2019)
- » Gross domestic product: 1.6 trillion USD (World Bank 2019)
- » Income group : High income (World Bank 2019)
- » Gini Index: 31.6 (World Bank 2012)
- » Colonial period and independence (if applicable): Japan (1910 – 1945) (Lee et al. 2013)

2. LONG-TERM CARE DEPENDENCY

a. Population statistics

Table 1. Older population in South Korea

	Total number	Share of total population
Population 60+	11,894,408	23.2%
Population 70+	5,434,514	10.6%
Population 80+	1,845,684	3.6%

Sources: United Nations 2019a and 2019b, data refers to 2020

Table 2. Long-term care dependent population in South Korea

	Total number	Share of the total population	Share of population 65+
Number of applicants for long-term care benefits	1,000,000	2.0%	12.3%
Number of beneficiaries of long-term care	830,000	1.6%	10.2%

Source: NHIS 2020, shares calculated with United Nations Population Data (UN 2019a and 2019b)

b. National definition and measurement of long-term care dependency

According to the *Act on Long-term Care Insurance for Senior Citizens*, the term “long-term care benefits” refers to supports in activities of daily living or cash benefits that are provided to a person who is in the state of care-dependency (in need of assistance for physical or household activities) for a minimum of 6 months (Act on Long-Term Care Insurance for Senior Citizens 2008).

The methods used to assess long-term care dependency are detailed in the *Enforcement Decree for the Act on Long-Term Care Insurance for Senior Citizens* of 2009 as specified below:

- 1) “Category I: A person who is entirely dependent on the aid of other persons for carrying on the activities of daily life due to impairment of physical, mental, or psychological functions whose long-term care certification score is 95 or above.
- 2) Category II: A person who requires the aid of other people for a considerable part of the activities of daily life due to impairment of physical, emotional, and psychological functions whose long-term care certification score is 75 or more, but less than 95.
- 3) Category III: A person who is in partial need of the aid of other persons to carry on the activities of daily life due to impairment of physical, emotional, and psychological functions whose long-term care certification score is 55 or more, but less than 75.”

4. FIRST PUBLIC SCHEME ON LONG-TERM CARE

a. Legal introduction

Name and type of law:

Act on Long-Term Care Insurance for Senior Citizens (장기 요양)

The date the law was passed:

24.07.2007

Date of *de jure* implementation:

01.07.2008

A summary of the content:

Through establishing and moderating the long-term care insurance (LTCI) and its benefits (assistance on daily life activities and health-related matters,...), the *Act on Long-term Care Insurance for Senior Citizens* of South Korea is introduced with the aim to enhance the living standards of the elderly and people with geriatric diseases (Act on Long-term Care Insurance for Senior Citizens 2008).

The socio-political context of the introduction:

There had been drastic changes in the family structure of a South Korean household, where the daughters or daughters-in-law, who previously stayed home and took care of the elders in the family, were then joining the workforce increasingly. During the time period of establishing the LTCI, the government of South Korea also had a firm commitment of setting up a welfare system for those group of elders that were in urgent need of help (Chon 2012).

b. Characteristics of the long-term care scheme at introduction

The eligibility for the long-term care insurance scheme is defined as follows in the Act: “Persons aged 65 and over or persons aged less than 65 who are suffering from geriatric diseases, which include dementia, cerebrovascular diseases, and other such diseases, are covered by the law” (Act on Long-Term Care Insurance for Senior Citizens 2008).

The service provision of long-term care in South Korea is organized as follows according to Article 3 of the Act on Long-Term Care Insurance for Senior Citizens of 2008:

- 1) "Long-term care benefits shall be provided to the beneficiary in an amount that is appropriate within the scope of the beneficiary's needs, taking into integral consideration the physical, mental, and psychological condition as well as the living environment of senior citizens or other persons under this Act, and the desires and preferences of family members.
- 2) When providing long-term care benefits, preference shall be given to the provision of in-home benefits whereby senior citizens or other persons under this Act receive long-term care in their home while living with his or her family.
- 3) Medical services shall be provided in conjunction with long-term care benefits so that the health or physical and mental condition of senior citizens or other persons under this Act do not deteriorate."

The National Health Insurance Corporation (NHIC) finances the long-term care benefits through long-term care insurance premiums. The NHIC may also receive financial or administrative support from national and regional governments for fulfilling this task (Act on Long-Term Care Insurance for Senior Citizens 2008).

4. SUBSEQUENT MAJOR REFORMS IN LONG-TERM CARE

No major reform has taken place since the Act on Long-Term Care Insurance for Senior Citizens was passed in 2008.

5. DESCRIPTION OF THE CURRENT LONG-TERM CARE SYSTEM

a. Organizational structure

To receive long-term care benefits from the NHIC, an insured person has to be 65 of age or older, or younger with geriatric or other diseases contingent upon their needs of care. Their care-needs are then evaluated by the NHIC to verify that they are eligible according to the following criteria: "physical function (dressing and undressing, toileting, etc.), cognitive function (awareness of current date, place, age, etc.), behavioral problems (paranoia, depression, hallucination, etc.), nursing needs (pressure sores, dialysis needs, etc.) and rehabilitation needs (movement disability, joint problems, etc.)" (Choi 2014). Applicants are then assessed on a 100-point scale for each criterion and thus receive the appropriate services based on the total result. Those with less than 45 points out of 100 points are not eligible for long-term care benefits. As it is shown in Table 3, those with an approval score of 45-51 (level 5) can receive services if they are suffering from dementia. In addition to the scale of 1 to 5, there are also levels A and B meant for those that cannot fulfil the criteria to benefit from the LTCI but are also in need of care; they are qualified to receive the Elderly Care Package Services (Choi 2014).

Table 3. Long-term care eligibility levels in South Korea

Level	Mental and physical status	Long-term care approval score
1	Requires help in all aspects of daily life	Score > 95
2	Requires help in most parts of daily life	75 ≤ score < 95
3	Requires help in part of daily life	60 ≤ score < 75
4	Requires some help for daily living because of the functional disability	51 ≤ score < 60
5	Dementia patients	45 ≤ score < 51

Source: Choi 2014

Although both the long-term care and healthcare insurance of South Korea are affiliated with the National Health Insurance Service (NHIS), the LTCI offers separate services and benefit specifically for long-term care (Campbell 2009; NHIS 2020).

The government agencies which have political sway over the long-term care system are the National Health Insurance Corporation, the Ministry of Health and Welfare, the Ministry of Finance and Economy, and the Korean Medical Association (Kwon 2008).

b. Service provision

Long-term care benefits are available both in care facilities or in the care dependent's home. Beneficiaries can choose the form of care themselves and receive them from the date stated on the long-term care certification issued by the NHIC (Kim et al. 2010).

The state (local governments), Social Welfare Corporation (non-profit), and for-profit providers are responsible for care provision. For-profit service providers have been the main long-term care service provider in South Korea for six years (Choi 2014). According to Choi (2014): "In 2011, the ratios of for-profit providers of home-based care services were 81.2 percent for home-visit care and 76.8 percent for home-visit nursing. In the case of residential care, 61.3 percent of service providers were for-profit. The total number of LTCI service providers increased from 14,979 in 2010 to 16,543 in 2014". By and large, different home-care services are provided together by the same provider.

The main places of care provision are home-based care and institutional care including residential homes, geriatric care facilities, and senior group homes (Choi 2014). According to the long-term care statistics of the Organisation for Economic Co-Operation and Development (OECD 2020b), there were 209,518 long-term care recipients in institutions (other than hospitals) and 477,673 long-term care recipients at home in 2018. Accordingly, more than two-thirds of the total number of recipients receive care at home. Of the 687,191 total recipients, over 95% were aged 65 years or over. The share of long-term care recipients in the population aged 65+ was 2.7% for institutional care and 6.2% for home care (OECD 2020b).

c. Financing

The total financing share of the South Korean long-term care system consists of 60% social insurance contributions (based on a rate fixed by the government, distributed evenly between employers and employees), 20% state budget, and 20% of co-payments (Chon 2012; Choi 2014). In 2018, total expenditure for long-term care in South Korea was 1% of GDP (OECD 2020a).

d. Regulation

The long-term care insurance system of South Korea is under the control of the NHIC, regulated by the central government. The NHIC is in charge of assembling the insurance premium, as well as the submissions of request for long-term care services and the assessment about service providers, which are supervised and given permission to operate by local governments (Choi 2014).

Long-term care services are offered to elders at the age of 65 or those from 45 to 64 years old that suffer from geriatric diseases, mainly dementia or cerebrovascular. Long-term care beneficiaries can apply for either in-kind care services or cash benefits when they live in rural areas with no care facilities (Choi 2014).

6. LIST OF ADDITIONAL RELEVANT LAWS

Enforcement Decree for the Act on Long-Term Care Insurance for Senior Citizens of 2009.

REFERENCES

Campbell, John Creighton, Naoki Ikegami, and Soonman Kwon. 2009. "Policy learning and cross-national diffusion in social long-term care insurance: Germany, Japan, and the Republic of Korea." *International Social Security Review* 62 (4): 63–80. <https://doi.org/10.1111/j.1468-246X.2009.01346.x>.

- Choi, Young J. 2014. *Long-term Care for Older Persons in the Republic of Korea - Development, Challenges and Recommendations*. Economic and Social Commission for Asia and the Pacific/Social Development Division.
- Chon, Yongho. 2012. "Long-term care reform in Korea: lessons from the introduction of Asia's second long-term care insurance system." *Asia Pacific Journal of Social Work and Development* 22 (4): 219-227. <https://doi.org/10.1080/02185385.2012.726422>.
- Kim, Suk-Hee, Deok H. Kim, and Woong S. Kim. 2010. "Long-term Care Needs of the Elderly in Korea and Elderly Long-term Care Insurance." *Social Work in Public Health* 25 (2): 176-184.
- Kwon, Soonman. 2008. "Future of long-term care financing for the elderly in Korea." *Journal of Aging & Social Policy* 20 (20): 1. https://doi.org/10.1300/J031v20n01_07. https://www.tandfonline.com/doi/abs/10.1300/J031v20n01_07.
- National Assembly of South Korea. 2009. Enforcement Decree for the Act on Long-Term Care Insurance for Senior Citizens.
- Lee, Hong Yung, Yong Chool Ha, and Clark W. Sorensen. 2013. *Colonial Rule and Social Change in Korea, 1910-1945*. University of Washington Press.
- National Assembly of South Korea. 2008. Act on Long-Term Care Insurance for Senior Citizens.
- NHIS of South Korea. 2020. "NHIS of South Korea." Accessed November 9, 2020. <https://www.nhis.or.kr/english/wbheaa03200m01.do>.
- OnTheWorldMap. 2020. "South Korea Map." Accessed November 16, 2020. <http://ontheworldmap.com/south-korea/>.
- Organisation for Economic Cooperation and Development (OECD). 2020a. Health expenditure and financing. Accessed November 11, 2020. <https://stats.oecd.org/>.
- Organisation for Economic Cooperation and Development (OECD). 2020b. Long-term care resources and utilization. Accessed November 11, 2020. <https://stats.oecd.org/>.
- United Nations (UN). 2019a. "World Population Prospects 2019: Percentage of Total Population by Broad Age Group, Both Sexes (Per 100 Total Population)." Accessed November 11, 2020. <https://population.un.org/wpp/DataQuery/>.
- United Nations (UN). 2019b. "World Population Prospects 2019: Total Population by Sex (Thousands)." Accessed November 11, 2020. <https://population.un.org/wpp/DataQuery/>.
- World Bank. 2019. Data: Korea, Rep. Accessed November 11, 2020. <https://data.worldbank.org/country/korea-rep>.