

A Standardized Analysis of LTC Insurance by Municipalities: Analysis of Utilization, Cost and Future Premium

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Abstract

In Japan, Long-term care insurance is administrated by 1,646 municipalities. Each municipality settles on the operational plan once every three years and administrates the system based on that plan. The most important part of the plan is how to set the future premium, but mostly grounds for premium setting are unclear.

We insisted that each municipality should make two standardized analyses before making the plan. First, they should analyze the current utilization patterns of LTC services and make clear the relation between benefits and fiscal burden, especially premium, in that area. Second, based on the results of the first analysis, they should project the future LTC costs and show policy alternatives.

In this paper, we propose two simple standardized analytical frameworks and introduce the analysis example of the small town in Japan, Kaisei town. Finally, we pointed out the problems in the current planning process.