

## The Supply Policy for the Senior Citizen Rental Housing with Medical & Nursing Cares in Japan

KAMADA Kiyoko

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**Abstract:** The Japanese government enforced the public-care insurance system in April, 2000, and started the supply of rental apartment houses with life-support services for elderly people in order to reduce the allowance of public-care insurance in October, 2012. The main objectives of this policy are to reduce medical expenses, to improve QOL and to consign rental housing services for elderly people who need care to private enterprises. The joint venture (JV) consists of real estate agents, general constructors, housing makers, food business companies, bars and meal-providing business companies, medical doctors, care givers, home helpers, home security guards, pharmacists, transportation service companies, and so on, in accordance with the circumstances of regions. Local governments only play the following roles:

- A. to offer a long-term loan with low interest or a financial subsidy
- B. to deduct the fixed property tax
- C. to take administrative measures against abuse to elderly people or a breach of contract

On the other hand, the Japanese government is planning to reinforce the evaluation system by a third party in order to make the quality of welfare and care services better by competition. At present, however, the market competition principle doesn't work and the service cost stays high and monopolistic. When choosing a house after retirement, more ethical and moral rules, a sense of solidarity among residents, and mutual support are more important than young generations.

A welfare ombudsman, ISO 9000 series, evaluation standards by a third party are regarded as referential models. In this study, the author investigated the advanced case in Tokyo and a home for American elderly people of Chinese, Korean and Japanese ancestry, which is often seen in Hawaii and California, the West Coast. Americans of Asian ancestry regard cost performance as important in taking care of the elderly and their care system is administered by families, nations and local residents, which will be a useful hint to us.

### Introduction

As a result of progress in medical technologies, Japan has achieved lengthened life-spans. Treatments for illnesses that had been impossible in the past have been developed, and the population of elderly people in need of long-term medical management is dramatically increasing. Self-care, as well as nursing care by family members, is becoming a substantial burden—

especially for patients with artificial sphincters and rectums, dialysis recipients, people with pacemakers, hip replacements, long term chemotherapy, diabetes, and dementia. Along with the financial burden, the harmful effects that the cold in the winter months can bring to the body in the northern areas of Japan can become life-threatening. Changes in condition of the patient can lead to a situation in which a spouse/

family is unable to nurse the patient at home and may bring about tragedies such as elder-to-elder nursing parricide. Under its national health system, Japan reviewed the rapidly expanding degree of government spending on medical expenses and started the national system of care insurance in April 2000 with an aim of using government funds more properly. In the reviews held every three years, there have been spending cuts and nursing care authorization standards have become stricter. The object is to actively utilize the insurance benefits by preventive measures of care and bedridden such as muscular training and exercise.

In the meantime, rental housing exclusively for the elderly with medical and nursing staff is gradually becoming the core of the welfare policy. Services provided in these standards-based residential environments include a 24-hour resident caretaker, nutrient management of the three meals, various health consultations, home nursing and rehabilitation, and an ambulatory attendant. The impact of such rental housing is not yet understood because the enterprise was only started nationally in Japan in October 2011. Nevertheless, the hopes are high.

### **Chapter 1: Objectives of this Paper**

In Asia, where there is a strong belief in Confucianism, we have reached a period in which cohabitation with, and domestic nursing care by, a child's family/relatives are becoming difficult to maintain. I would like to examine and propose recommendations of how we should create a new environment of nursing care for the elderly which is satisfactory to both the care-needing individual and the families of offspring.

### **Chapter 2: High specialization and reorganization of medical institutions—A new business model**

Alongside an aging population and lower birthrates, Japan's rates of medical examination, critical illnesses, lifesaving treatments, and medical expenses for

the elderly are all increasing. Municipal hospitals specialize to a high degree and regional clinics host patients with slight illnesses. Systematically, patients wait for a letter of introduction upon a care provider's decision in order to receive treatment at high-specialization medical institutions. Conversely, amid decreasing population, clinics in depopulating areas are encountering financial difficulties and are at risk of closure. It is expected that such clinics will have a new role as a regional comprehensive medical and nursing support center if inserted within a multiple-dwelling complex for care-needing and medical-needing sustainers, thus compounding them with other welfare service providing business. The sections given below show the recent four patterns of development cases progressing domestically in Japan.

#### **2-1.Examples of active elderly who do not require management for critical chronic diseases and specialized medical care**

For people who have illnesses that become chronic with age and are particular to the elderly, —hypertension, heart illness, diabetes and kidney disease—rental housing offers the support of nutrient management through three daily meals, general health management, and 24-hour living services. There is no need for strict standards if a building is safe, has ample space, complies with facility standards set by the government, provides watch for relief and safety, and offers consultation services. However, there is a need to fulfill the application standards of public care insurance. The inhabitants choose residence according to the following factors: monthly expenses, convenience (for families of children, relatives, and friends), and access to public facilities (such as ambulatory hospitals, libraries, post offices, and banks). Additionally, inhabitants may refer to distances to big super markets, shopping centers, public transportation networks, and airports.

## **2-2.Examples of elderly who need convalescent and hygiene management for serious illnesses**

In the latest medical care, critical illnesses such as various cancers, heart diseases, and organ transplants that were once impossible to cure have been made curable or treatable with artificial organ and joint replacement operations. Furthermore, for patients with colorectal cancer or bladder cancer that has surpassed stage IV, stoma exchange and sterilization and hygiene management of artificial rectums and gallbladders become extremely difficult. For single elderly people and elderly married couples alike, nursing care and meal management are extremely difficult; these people need prompt correspondence if faced with an infection or an acute change of condition.

## **2-3.Examples subjected to active elderly who have dementia or other chronic diseases yet still have intact physical strength.**

If a person possesses physical strength beyond their age, in most cases it becomes difficult for a family to provide domestic nurse care alone. Behaviors such as wandering outdoors lead to fatal accidents in the northern regions between the six winter months, due to cold climate conditions such as snow, low temperatures, snowfall and snowstorms. In these cases, group surveillance by several caretakers could save a life from an unexpected accident. In preparation for the progression of dementia, fire prevention and security equipment, report systems for firehouses, police and regional residents in case or emergency are needed.

## **2-4.Examples of patients with disuse syndrome or a severe case of dementia**

Generally, relocation of the living environment or house at a senile state can have substantial negative physical and mental health effects. Rather than long-term hospitalization at medical institutions, public care insurance, individual-expense specialized nursing

homes, and group homes become the recipients of elderly people.

In recent years, Japan has been converting to business promotion support measures by cutting back government-run projects on the municipal level, engaging in substantial deregulation, and introducing private sector support—a financing technique.

In the midst of the health care reform—Specialization and Advancement Promotion Plan for Medical Care—doctors in private practice or clinics in depopulated regions or regions where the population has aged are being aggressively forced into closure. "Service-based rental housing exclusively for the elderly" will organize a new joint enterprise where: A. the elderly will "debt inherit" their vast land or real estate assets to their descendants; B. doctors in private practice or clinics in the region, C. real estate proprietors (housing management business); and D. dietary and meal cooking suppliers are combined. In order to accept the elderly group with care-need levels 1, 2, 3, and 4 discussed above, it is necessary to have residential nurses who are accustomed to advances in severity of condition and are familiar with the equipment of specialized environments.

(1) Although participating in housing management for the active elderly is simple for any type of industry, continually accepting patients with severe conditions such as (2), (3), and (4) is difficult.

In the KOTOU-KU of the Tokyo metropolitan area, the municipal government will rent or sell land which is in a good location at a discounted price, and will instruct businesses to construct high-rise buildings on that land. The ground floor will contain a clinic, daycare facilities, a small convenience store, a food court run by a meal supplier, regionally-owned restaurants, and day service centers. The second,

third, fourth and fifth floors will incorporate care service businesses, collective housing, rental housing exclusively for the elderly with nursing care needs, group homes for elderly patients with dementia, and special nursing homes. Each business is a different cooperative which pays rent to a landlord as a tenant. Residents and users are able to live in a place they have grown accustomed to over the years, because they only have to move floors according to their change of conditions (In the case of reform or rebuilding, a case study will be introduced during the presentation). Thus, the greatest benefit goes to the residents and users.

**Chapter 3: The cooperation of the national & local government, regional general contractors, the introduction of private sector supports, Financial resource, business Know-how.**

**3-1** Excluding medical care and education, the Japanese government has resorted to significant deregulation measures in the field of social welfare. Participation from different types of businesses has been allowed in the field, including joint-stock companies, social welfare services corporations, various incorporated medical institutions, limited liability corporations, and private companies. Higher quality services and price reductions were expected to result from market liberalization and new elements of competition. Financial assistance in the amount of one million yen per room, and ten million yen for common use spaces was provided to new contract regulators and construction companies for the large-scale remodeling of existing buildings. Additionally the Japan Housing Loan Support Organization provides preferential low interest rates for long-term investments as policy financing.

**3-2. What are the roles of local governments and municipalities?**

Market participants in elderly care will need to register with local governments and municipalities as an authorized business for the public nursing care insurance program.

Businesses that are authorized will be reviewed periodically and unfair practices such as illicit breaches of contract or maltreatment will be enforced with recommendations for improvement, cancellation of authorization, or total closure. In addition, local governments and municipalities will also implement tax exemption of real estate taxes.

**3-3. The role of the construction industry**

The massive population of people displaced from the workforce by the recession in construction businesses will be given a chance to utilize their experience in the welfare site by acting as operations and maintenance engineers for the building and facilities, calling for tenants, filing contracts, and fulfilling reporting duties to administrative bodies. Primarily, construction companies are a diverse industry, which comprises a JV (Joint Venture) with experienced craftsmen in a joint-enterprise, and encompasses a group of skilled people with good cost performance.

**3-4. The introduction of private sector, Finance support, business Know-how**

Municipal banks offer progressive financing for new contract regulators in the form of FPI (Financial Planner Initiative) loans. A business can easily receive a loan; however, the loan focuses on the stability of the business plans, the strong characteristics of the public undertaking, and the social credibility of the chief executive. Also, as a support plan for the construction companies performing the large-scale remodeling of existing buildings, reverse mortgages can be utilized for the occupancy expense support measure for the

non- and low-pension people.

## **Chapter 4: The preceding developing projects within TOKYO, SAPPORO**

### **4-1. In the case study of Tokyo Group Living home "Ayase"**

A rental housing unit exclusively for the elderly, involving the coordination of medical and nursing services, is being exhibited by the city of Tokyo as a model enterprise for people involved in local governments nationwide. An old facility that was owned by the social welfare cooperation Chouju-Mura (means Long-life Village) was fully rebuilt, with a clinic, a day service center, and the regional comprehensive support center on the first floor. On the second, third, fourth, and fifth floors, the facility contains rental housings with 24-hour care support. Consideration has been given to residents in need of high-level care, leading to the installation of a large care support bathroom on each floor for common use. One room with a small, 25m<sup>2</sup> kitchen costs 139,500 yen; with 3 meals included, the cost is 183,600 yen. Additional charged services are available such as 368 yen for each service of laundry, 525 yen for housekeeping, and 210 yen for shopping or trips to the ward offices. The maximum cost of a room is set at 200,000 yen.

### **4-2. In the case study of "Sapporo JRM" managing by JR Hokkaido**

In one case, a facility was built in the center of Sapporo city in close proximity to a general hospital owned by a railroad company. The facility had an expensive cost schedule, but was so popular that it sold out on its opening day, and those interested had to draw lots to gain residence. In reality, there was no coordination between the hospital and the railroad company; instead, a different incorporated medical institution oversaw resident health management. Monthly

rent was from 100,000 yen, deposit and key money were a 4-month advance payment, and additional administrative fees, life support fees, and fees for three meals were generally expensive. Although this may depend on factors such as the square-meter area of a room, keeping rent within 200,000 yen monthly is difficult for private residences. Regardless of the businesses being operated by the joint-stock companies, behind the high demand for facilities such as the Sapporo JRM is a feeling of anxiety among the elderly towards their individual severe illness and convalescent management. Furthermore trust in the railroad company that is responsible for capital improvement projects is also deeply rooted. Behind this trust is the degree of anxiety toward crisis within the management of private companies.

## **Chapter 5: Evaluation and issues for welfare policies for a super aging society**

### **5-1 The maintenance of the national health care system and the level of well-being and comfort in the senile state, peace of mind.**

It is inevitable that medical expenses increase in proportion to increases in the average age of citizens. In the present state of Japan, it is necessary to raise the amount of co-payment burden for patients for examinations, as well as annual premiums. Late-stage elderly medical care for those of ages 75 and older must be eliminated and compulsory participation in the national health insurance run by the local government is held as a goal. The concept is that all of the local residents will be burdened with the region's medical expenses. Preventative medicine and care such as radio gymnastics, muscle training, periodic health examinations, and nutrition and dietary counseling all aim to improve health longevity. There is support for the existing idea for medical expenses concerning paramedics. Comfortable housing and nutrition management is essential for comfort in old age. The

supply of "service-based housing exclusively for the elderly" that does not require a significant advance payment and provides rights to tenants with the consumer-protection laws has given relief. However, there is a great risk of introducing the element of market competition to the elderly welfare service. It is unknown if citizens are content with this policy, or to what degree they favor it. As the construction industry thaws from its chill, the government, a fair third party organization, and a citizen's commission must work together to save elderly patients entering into such housing from breaches of conduct, various maltreatments, tenant trouble, and illicit and predatory practices.

### **5-2.Evaluation of welfare and care services by a third party**

In Germany and the Netherlands, about 65 to 70 percent of the enterprises which provide welfare and care services have adopted a system of evaluation by a third party and the results are shown numerically or in plain marks and open to the public. Consumers and their families can utilize the information as important criteria in choosing those services.

The purposes of evaluation by a third party are

- 1) to let users compare the kinds and qualities of the services in order to select the most suitable service for them
- 2) to let service enterprises utilize it for the improvement of the qualities of their services

To realize these two goals, a third party evaluates services based on certain standards from a special and objective standpoint and opens the results to the public. In Japan, Tokyo, other local governments around Tokyo and Tokyo Welfare Corporation have already started the evaluation by a third party. The evaluation of welfare services of Tokyo by a third party consists of "evaluation by users", of which purpose is to know users' satisfaction level and "evaluation by enterprises",

which judges the organization, the management and quality of the enterprise through its self evaluation and visiting investigation. The evaluation results are widely open to the public through "Tokyo Welfare Navigation". At the site, if users input the name of an enterprise and a kind of service, they can freely see its evaluation results. the cost is different among local governments and groups but Hachioji City and Kiyose City in Tokyo subsidize enterprises or homes in their city for the expenditure on the evaluation by a third party and on the improvement after the evaluation.

The homes which can be subsidized are limited to the following three types.

- communal homes for people suffering from senile dementia
- certified day nurseries A type and B type
- a small residential care home with multiple functions

The basic cost evaluated by Tokyo Social Welfare Workers is at least 550,000 yen at a residential type home, at least 450,000 yen at a day care home, at least 400,000 yen at a group home, and visiting services cost at least 350,000 yen. The time needed for evaluation is four months at the shortest and seven months at the longest. Therefore it is an extremely heavy burden for homes in deficit.

## **Chapter 6: The comparison between the systems of Japan and developed Western welfare states**

### **6-1.Comparison with the Northern European welfare model**

Since the 1980s, the Japanese national and local governments, in addition to social welfare researchers, have investigated and learned from European examples of social welfare, such as Denmark and Sweden. Biased perspectives were spread, pointing to high burdens of welfare, and warning that the family system will deteriorate if the government or local government implements welfare such as done in European

examples. Under the surface, the growth of the nuclear families, the growing participation of women in the social sphere, and decreases in birthrate progressed. The prototype of the Japanese version of service-based rental housing exclusively for the elderly is an imitation of a Swedish Service House. The defined differences are: (1) There is no housing allowance or maximum for individual payment for nursing care fees; (2) under the housing construction conditions, there is no accessibility to public transport; (3) there is no assurance for supply of spot good for meals; (4) the medical expenses are provided at a cost; (5) trust in the facility manager is poor; (6) individuality and independence of elderly tenants is poor; and, finally, (7) there is a deeply rooted anxiety towards participation from different industries such as construction and real estate companies.

### **Conclusion: The ideal direction for Asia's welfare system**

There is a disagreement between the generation that expects to co-habitat with family and be cared and nursed by them, and the generation that does not anticipate the substantial care burden shouldered by their own children. We need more time for mutual understanding.

There are long history natural Chinese medicine and Chinese cooking in which Chinese herbal medicine is combined with normal food ingredients to restore health, Also Korean food cultures too. Most important issues are How to keep the span of healthy life & Self-support life after retirement. For the Asian aged generation need a self-establishment and strengthen the sense of solidarity.

People who have sufficient income from pension or assets think, "There is nothing to do," or "I do not want to cause any burden or trouble". People with low pension or low income spend their declining years in Asian countries such as China, Thailand, or the

Philippines, Nepal.

. On the other hand, the elderly in every state of the United States are protected by non-family support networks, such as religious or ethnic groups. Chinese and Japanese elderly people in the state of Hawaii live happily together in shared nursing homes. The child family group watches over their elderly and does not hesitate to offer financial assistance. Middle-of-the-road welfare with mid-level burden, symbiosis, and cooperation is the Japanese aim for elderly housing.

By reusing existing buildings such as, old housing facilities or old primary schools, construction design technology can contribute substantially to the actualization of well-being.

## 日本における医療・介護サービス付き高齢者専用住宅の供給政策

鎌田 清子

**抄録：** 日本では2000年4月から政府主導の公的介護保険制度を施行した。その後、主として医療費、介護保険支給を削減する為に2012年10月から高齢者向け生活支援サービス付き賃貸住宅の供給が開始された。この政策の主たる目的は医療費削減、QOLの向上、要介護高齢者の賃貸住宅事業を広く民間企業に委ねることにある。地域の事情に応じて不動産業者、建設業者、住宅メーカー、食品業界、居酒屋・給食業者、医師、病院、介護サービス、ホームヘルパー事業者、防犯警備会社、薬剤師、タクシー輸送業者などが合同企業、事業体（JV）を形成する。地方自治体は、下記に示す最低限の役割を担うのみである。

- A. 低利子長期返済などの政策融資、各種補助金の提供
- B. 固定資産税の軽減
- C. 高齢者虐待、契約不履行などの不正行為に対する行政処分、認可取り消し処分

一方で、福祉・介護サービスの質を競争させる第三者評価制度を強化する方針である。現時点では、市場競争原理は作用せず、高値安定、独占価格である。退職後の住宅選びにおいては、若い世代と比較して、より一層の倫理的、道徳的規律規範、入居者間の連帯感、共助・共生理念が重要になる。参考事例として、福祉オンブズマン、ISO9000シリーズ、第三者評価基準の手法がある。本稿では東京都の先進事例、ハワイ州、西海岸カリフォルニアに多くみられるアメリカ系中国人、韓国人、日本人の共生介護ホームを取り上げた。費用対効果を重視し、家族・民族・地域住民の絆で運営がされているアメリカ系アジア人の介護は我々に大きなヒントを示唆している。ちなみに本稿は2012年10月22日—24日、韓国光州市で開催された第9回アジア建築学会にて発表した内容の一部を加筆し、再構成した内容である。

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