

6 Welfare

[Awareness of the Issues]

Amid changes in the social environment, such as the rapidly declining birthrate and the aging of society as well as the increase of working women, the welfare service system including long-term care for the elderly and child care has undergoing changes from conventional public welfare to a service industry based on the free choices of its users.

As for long-term care for the elderly, the needs of users who seek higher quality of life have shifted to those for utilizing high-quality, diversified services as much as they need and at reasonable prices.

Care facilities built by social welfare corporations are subject to government regulations in return for huge public subsidies. It is necessary to reform the system in order to narrow the burden gap among users by securing equal competitive conditions irrespective of the management style of service providers by promoting information disclosure and third party assessment.

The “Structural Reform Special District Law” that was enacted in December 2002 allows the entrance of joint stock companies, etc. under the method of managing public facilities or under the PFI method. Study should be continued further on allowing and promoting the entry of joint stock companies into the market of special nursing homes for the elderly under other methods, while assessing the effect and impact of special measures in special districts.

The basic goal of regulatory reform in the field of welfare is to dramatically increase service provision and to improve quality by ensuring market entry conditions for various management bodies including NPOs and private companies.

As for childcare, although the amount of childcare services provided has been increasing on a nationwide scale thanks to the entry of private operators and the establishment of an authorized childcare center system by local governments, there are still a lot of children who are waiting to use childcare centers, especially in urban areas. In order to provide childcare support to working women, it is necessary to provide childcare services that meet diversified needs, such as night childcare, holiday childcare, convalescent childcare, and temporary childcare. However, service providers have yet to take sufficient measures to meet the demand for such childcare services.

As for preschool children, the sharing of facilities between childcare centers and kindergartens has increased, as the roles of kindergartens and childcare centers

have approximated and the need for facilities having two functions has increased. However, there are still institutional restraints due to administrative subsidies. For example, it is difficult to manage facilities in an integral manner and a distinction between kindergarteners and nursery school toddlers is required.

It is necessary to promote user-oriented regulatory reforms in the fields of long-term care for the elderly and childcare in order to provide safe and high-quality services.

[Specific Measures]

1 Long-term care for the elderly

(1) Entry of various operators into the field of long-term care for the elderly

Promotion of development of the bases for in-house care services by utilizing the method of managing public facilities by private bodies or the PFI method [Conclusion to be reached in FY2002 and measures to be implemented in FY2003]

Joint stock companies, etc. are now allowed to manage facilities providing in-home care services, such as day-service facilities and short-stay facilities. However, when a joint stock company manages such a facility, the company cannot enjoy facility maintenance fee subsidies. The development of such facilities should be promoted under equal conditions by utilizing the method of managing public facilities by private bodies or the PFI method.

Review of technical advice concerning permission of joint stock companies' entry into nursing home operations [Opinions to be heard in FY2002 and conclusion to be reached in FY2003]

The entry of a joint stock company into nursing home operations was deregulated in 2001. However, the notice issued by the director of the Health Planning Division of the Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare in January 2002 states "it is appropriate to permit the management of nursing homes by a joint stock company only when the company meets the following requirements":

- a. ordinary profit in the immediately preceding term is 100 million yen or more, and
- b. net assets (total assets minus liabilities) at the end of the immediately preceding term is 300 million yen or more.

However, parties concerned point out that these requirements restrict the entry of newly established corporations and lack balance with the requirements imposed on social welfare corporations in that such a volatile element as profit is used as one of the criteria and that performance in the preceding term is required.

Therefore, opinions should be heard from parties concerned on the relevancy of such technical advice and, if necessary, they should be revised.

(2) Review of users bearing the cost for special nursing homes for the elderly

Since the living environment of special nursing homes for the elderly is to be fundamentally improved under the “Three-year Program for Regulatory Reform (Revised)” calling for providing private rooms to make users lives more comfortable, a revision should be made to place the burden of the hotel cost with the users of special nursing homes for the elderly in addition to the conventional burden relating to nursing care and meals. Since the Program also calls for giving certain consideration to low-income users who cannot bear such costs, measures should be taken steadily.

[Conclusion to be reached in FY2002 and measures to be implemented in April 2003]

Besides the so-called hotel cost, there are also differences in bearing other costs such as those for food, heat and electricity, and cleaning between facilities covered by long-term care insurance and special facilities (paid homes and nursing homes) or group homes. Therefore, when studying the desirable facility system as part of a review of the total long-term care insurance system, a study should be also undertaken from the viewpoint of balancing the burden between in-home services and in-facility services.

[Study to be commenced in FY2003 and conclusion to be reached in 2004]

(3) Defining the scope of physical care services feasible in visiting care

Suctioning and removing phlelm, changing gauze bandages, and administering ointment, suppositories, enema, or eyedrops in visiting care are generally believed to be medical practices. It is not clear to what extend people other than patients themselves can perform such deeds and it is said that a care worker or home helper doing such deeds as part of care services may violate the Medical Practioners Law. Moreover, it is not generally specified whether or not an individual deed constitutes a medical practice due to the diversified conditions of people in need of long-term care and to the difficulty of measuring the danger of individual deeds. Some people say that this has created confusion among people engaged in care services.

Therefore, first of all, specific examples of coordination of visiting care and visiting nursing should be further known and then a specific study should be

undertaken on allowing home helpers, etc. to conduct the suctioning of phlegm under certain conditions. **[Study to be undertaken and concluded in FY2002]**

As for other deeds, how to treat them under the Medical Practitioners Law should be further studied and made clear. **[Study to be undertaken and concluded in successive steps in and after FY2003]**

(4) Adjustment of the number of people admitted to long-term care facilities by insurers [Study to be commenced in FY2003 and conclusion to be reached in FY2004]

Regional differences in the number of people admitted to long-term care facilities is wide and, in particular, the number of people admitted to geriatric health services facilities and long-term care and nursing medical facilities are excessive. This has increased the cost for long-term care insurance benefits, placing heavy financial pressure on the long-term care insurance system. Since the excessive number of people admitted to facilities leads to an increase in long-term care insurance premiums, municipal governments as the insurers should take appropriate measures to fulfill their role as agents of the insured who pay insurance premiums.

Therefore, from the standpoint of promoting the stable management of public finances for long-term care insurance, as part of a review of the long-term care insurance system a study should be undertaken on giving municipal governments the power to control service supply.

(5) Promotion of information disclosure by long-term care service providers and third party assessment

A checklist intended for users and their families when selecting a visiting care service provider was published in August 2002 with a view to facilitating the selection of a long-term care service provider. Efforts should be made to diffuse the checklist and to make service providers disclose information in response to the checklist. **[To be implemented in FY2002]**

As for special nursing homes for the elderly suffering from senile dementia, in light of the importance of assessing service providers due to users characteristics, a third-party assessment system was implemented starting in FY2002 ahead of other long-term care service providers. Measures should be taken to promote the adoption of the third-party assessment system in successive steps with regard to operators of special nursing homes for the elderly and paid homes for the elderly or nursing homes. **[To be studied (and implemented in successive steps) in FY2003]**

(6) Improvement of measures for safeguarding lump sum money for paid homes for the elderly [Study to be commenced in FY2003 and conclusion to be reached in FY2004]

Since paid homes for the elderly are users retirement homes, they are required to provide stable services for a long time. However, if a management body goes bankrupt, people living in the facility after paying a huge lump sum will not only lose their place of residence but also find it difficult to continue living. For this reason, the “Guidelines for the Establishment and Management of Paid Homes for the Elderly” (a notice issued by the director-general of the Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare on July 18, 2002) provides minimum regulations under the prior reporting system, stipulating that “ full explanation shall be given by issuing a statement of important matters, lump sum reimbursement shall be guaranteed by a bank until stable management can be expected, and bookkeeping of paid homes for the elderly shall definitely be separated and the money shall not be diverted to other operations.”

However, in view of the fact that, in the case of paid homes for the elderly, the people who conclude contracts are advanced in age, that a huge lump sum is required, that it is difficult for such people to change residence, and that the services provided cover the whole range of the users’ life, including long-term care, the measures for safeguarding the lump sum for paid homes for the elderly should be improved in such a way as requiring operators to provide information to people wishing to use paid homes for the elderly without fail.

2 Childcare

(1) Promotion of stronger ties between childcare centers and kindergartens

While the number of children going to kindergartens has been on the decrease reflecting the decreasing birthrate, the number of children wishing to be admitted to childcare centers has been increasing year by year, creating a problem of an increase in the number of children waiting for admission. In order to provide services responding to the diversified needs created as a result of an increase in working mothers and to bring the number of children waiting for admission to zero, it is necessary to expand kindergarten daycare services. There is also a need to provide the same level of education at childcare centers as that provided at kindergartens. Some municipalities have been promoting facility sharing between childcare centers and kindergartens partly to respond to such needs. However, since childcare centers and

kindergartens have different purposes and roles, they have to meet each other's establishment standards. From the viewpoint of promoting the sound development of all children, it is necessary for ministries and agencies concerned to respond to users' needs by fully cooperating and making the best use of the functions of childcare centers and kindergartens.

Promotion of childcare worker qualification acquisition by kindergarten teachers and kindergarten teacher licence acquisition by childcare workers

From the viewpoint of further promoting ties between kindergartens and childcare centers, measures should be taken to encourage people holding kindergarten teacher licenses to acquire childcare worker qualifications and people holding childcare worker qualifications to obtain kindergarten teacher licenses.

Specifically, when a person holding a kindergarten teacher licence tries to acquire childcare worker qualifications, those subjects that are necessary for acquiring a kindergarten teacher license, such as the "principle of education," should be eliminated from the eight subjects on which childcare worker tests are set. **[To be implemented in FY2003]**

On the other hand, when a person qualified as a childcare worker tries to obtain a kindergarten teacher license under the current system, it is difficult to obtain one by methods other than accumulating necessary credits at a university. Therefore, necessary measures should be studied and taken, including allowing the acquisition of a kindergarten teacher license by taking a teacher qualification test. **[Study to be undertaken and concluded in FY2003]**

Promotion of integrated kindergarten and childcare center management [To be implemented in FY2003]

With regard to facility sharing between kindergartens and childcare centers, the "Guidelines Concerning Sharing of Facilities by Kindergartens and Childcare Centers" (a notice issued by the director-general of the Elementary and Secondary Education Bureau of the Ministry of Education and the director-general of the Children and Families Bureau of the Health and Welfare Ministry on March 10, 1998) says that kindergartens and childcare centers can share their facilities and equipment "as long as it does not pose any problems in terms of child caring." In fact, facilities shared by kindergartens and childcare centers have been increasing in municipalities.

Therefore, when promoting the integrated management of kindergartens and childcare centers, measures should be taken to enable flexible management in

terms of not only sharing facilities but also treating children.

(2) Review of the obligation to have a kitchen in place at childcare centers [To be implemented in FY2003]

At the time when solving the problem of children waiting for admission is an urgent issue, it is necessary to admit as many infants as possible to good quality childcare centers. Since dietary habits have important implications on infants aged zero to preschool children and since such children are physically immature and at an important stage in their mental development, it is also necessary to give consideration to aspects of good hygiene and nutrition.

Therefore, with regard to the obligation for a childcare center to have a kitchen in place, a study should be made and measures should be taken on allowing the establishment of childcare centers by utilizing excess school classrooms, provided that safety and other measures are ensured for the joint use of a kitchen, in a way similar to using a kitchen in adjacent social welfare facilities.

(3) Informing municipalities about management bodies and facility standards of authorized childcare centers [Measures to be taken in FY2002 and implemented in successive steps in and after FY2003]

With regard to regulations concerning childcare centers, deregulation has been promoted at the state level and facility standards have been relaxed, permitting the establishment and management of childcare centers by private corporations and permitting the use of neighboring parks as substitute gardens of childcare centers. Meanwhile, the "Three-year Program for Regulatory Reform (Revised)" states "municipalities should be comprehensively informed at an early stage and in successive steps about the deregulation measures that have already been implemented." Accordingly, deregulation measures were made known to municipalities.

However, publicity is not yet sufficient, as it is pointed out that some municipalities still maintain conventional standards with regard to establishment and management bodies and facility standards founding without any reasonable grounds. Therefore, deregulation measures that have already been implemented should be further publicized.

(4) Smooth application of accounting standards to private corporations that have entered the field of authorized childcare facilities [To be implemented in FY2003]

The entry of private corporations in the field of authorized childcare centers

has been permitted since 2002 on the condition that such corporations follow the accounting standards applied to social welfare corporations.

However, the application of accounting standards to corporations based on a different premise, such as the treatment of depreciation allowances, caused confusion in accounting operations resulting in obstructing incentives for private corporations to enter the childcare field. Therefore, the application of accounting standards should be improved, including their technical aspects, so that they can be applied smoothly to private corporations.

(5) Flexible accounting procedures for surplus money of the operating fund subsidies to childcare centers [To be implemented in FY2003]

With regard to long-term care services, since remunerations are paid in consideration of the services provided irrespective of management bodies, there are no restrictions on their use. Similar treatment will be given to welfare services for physically or mentally disabled people starting in FY2003, when a system of providing support fees is scheduled to be introduced. These measures will enable service providers to grow through managerial efforts, while providing high-quality services.

On the other hand, in the case of childcare centers, the use of any surplus money from operating fund subsidies, though gradually relaxed, is still restricted. For example, the use of such money to repay debt or to pay rent on the facility is limited within the scope of the private facility/salary beneficial expense. With a view to making deregulation measures that have already been implemented, such as easier requirements on the establishment of childcare centers, more effective and to enabling diversified service providing bodies to provide sufficient childcare services, a study should be undertaken on making accounting procedures for surplus money more flexible and the necessary measures should be taken, after analyzing factors that produce surplus money in detail.

(6) Promotion of integrated provision of information on childcare services [Measures to be taken in FY2002 and implemented in successive steps in and after FY2003]

The difference between kindergartens and childcare centers has narrowed and facilities having the functions of both kindergartens and childcare centers have come to be established. Meanwhile, unauthorized childcare facilities have been obliged to submit notification to the municipality starting in October 2002. As a result, it has become possible for the administrative authority to grasp the situation.

In light of the above situation and from the viewpoint of enhancing users

convenience and promoting information provision of information on service contents, municipalities should be encouraged to make clear the position of individual facilities and to prepare a list when they provide information on facilities via the Internet.

(7) Promotion of third party assessment of childcare services [To be implemented in FY2002]

Although guidelines for third-party assessment of childcare centers were created in April 2002, third-party assessment is implemented only on authorized childcare centers by the Japan Association of Training Schools for Nursery Teachers, Inc. In order to establish a system to further promote third-party assessment of childcare services, the following efforts should be made:

Cases of third-party assessments conducted by diversified bodies should be collected in preparation for consideration for necessary review, such as an expansion of assessment targets including unauthorized childcare facilities.

In order to enhance the objectivity of third-party assessment, a system should be established for easier comparison of third-party assessments conducted by diversified bodies by, for example, utilizing the “List of Childcare Centers” in the “i-kosodate (child raising).net” Web site operated by the Foundation for Children’s Future.

Kindergarten establishment standards were revised in April 2002 and self-monitoring and evaluation by schools and active information disclosure were stipulated. In light of this, information on self-monitoring and evaluation by kindergartens should be offered for public inspection by, for example, using the Web sites of municipalities and related organizations.

3 Social Welfare Corporations

Promotion of information disclosure concerning social welfare corporations via the Internet [To be implemented in FY 2002]

The “Three-year Program for Regulatory Reform (Revised)” states that “due to their nature of serving the public interest, social welfare corporations should be encouraged to disclose documents including the settlement of balance, business report, and written opinions of the auditor via the Internet.” In line with the Program, efforts should be continued to encourage more social welfare corporations to disclose accounting information.