

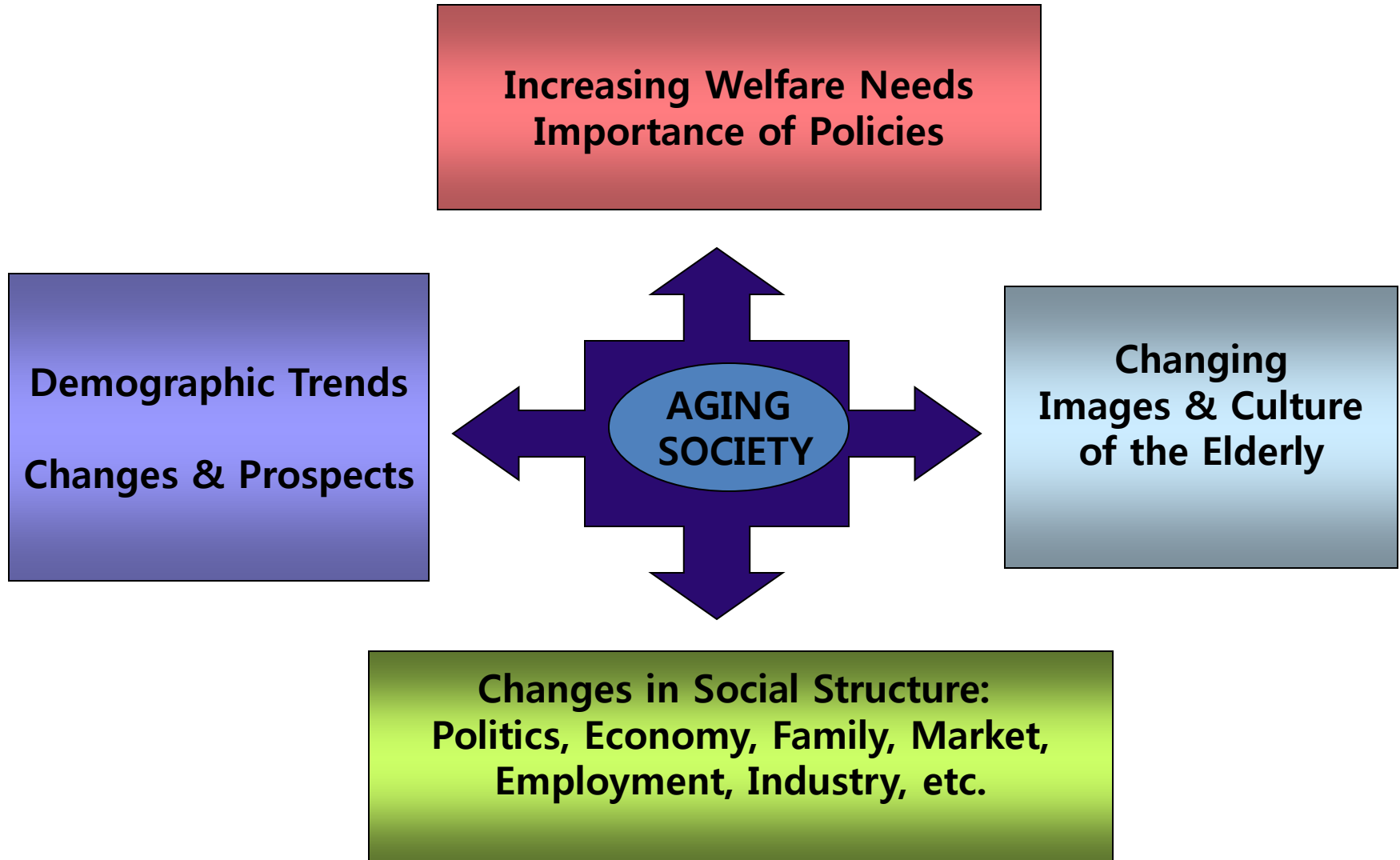
The 2014 Conference
Gerontological Society
Singapore
March 27, 2014

Successful Ageing In Asia and Pacific

Health and Social Policies for the Elderly in KOREA

Sung-Nam Cho

Aging Society & Changes in Life-World



Population by age group

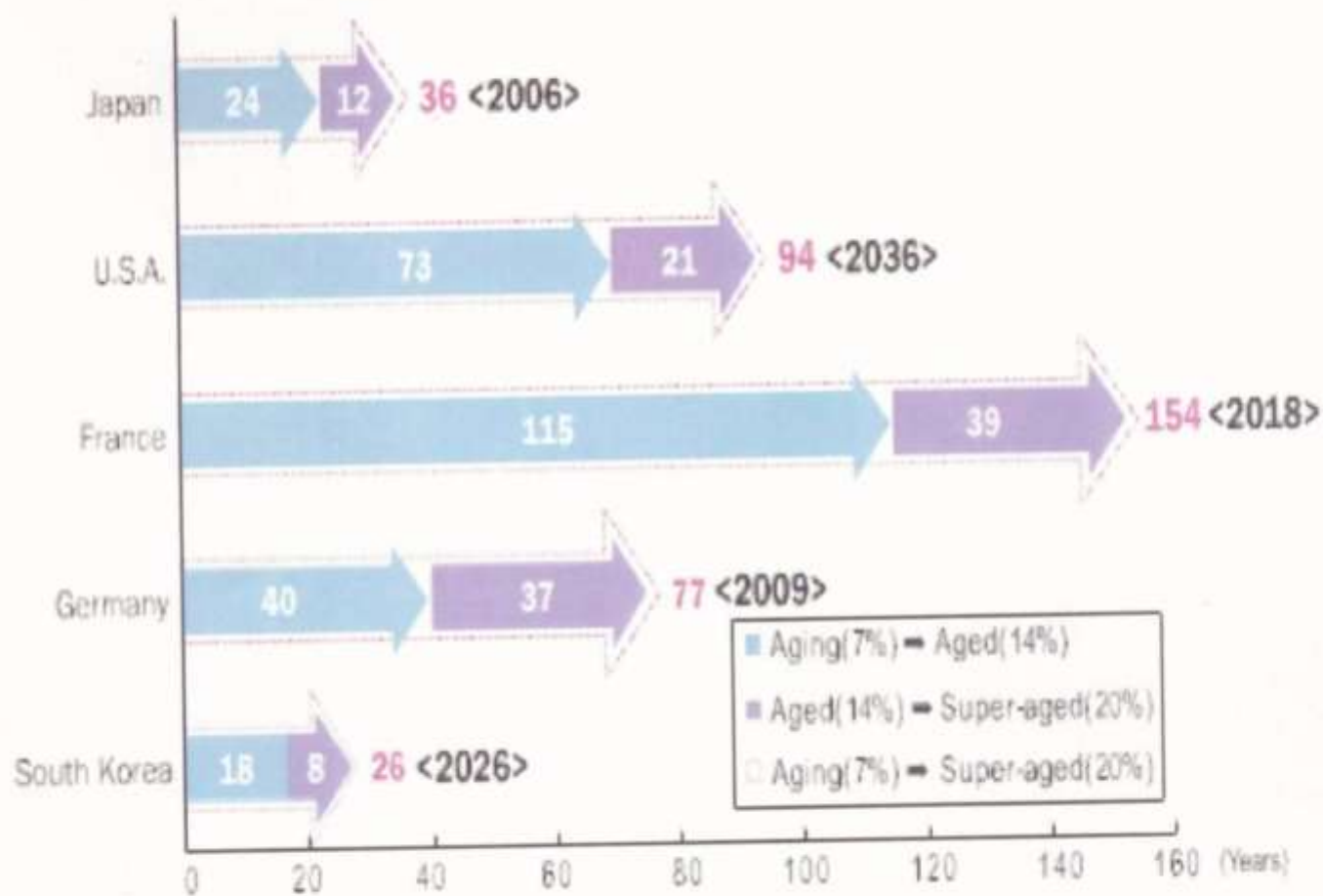
*In 2010, the population aged 65 and over occupied 11.0 percent of the total population.

- Korea became an **aging society** in 2000, when the aged population stood at 7.2 percent. Korea is predicted to become an **aged society** in 2018, when the aged population will account for 14.3 percent, and a **super-aged society** in 2026, when the aged population will occupy 20.8 percent.
- 38.2% in 2050

(Unit: thousand persons, %)

	1990	2000	2010	2018	2026	2030
Total population	42,869	47,008	48,875	49,340	49,039	48,635
0 to 14	10,974	9,911	7,907	6,286	5,721	5,525
15 to 64	29,701	33,702	35,611	35,979	33,099	31,299
65 and over	2,195	3,395	5,357	7,075	10,218	11,811
Percentage	100.0	100.0	100.0	100.0	100.0	100.0
0 to 14	25.6	21.1	16.2	12.7	11.7	11.4
15 to 64	69.3	71.7	72.9	72.9	67.5	64.4
65 and over	5.1	7.2	11.0	14.3	20.8	24.3

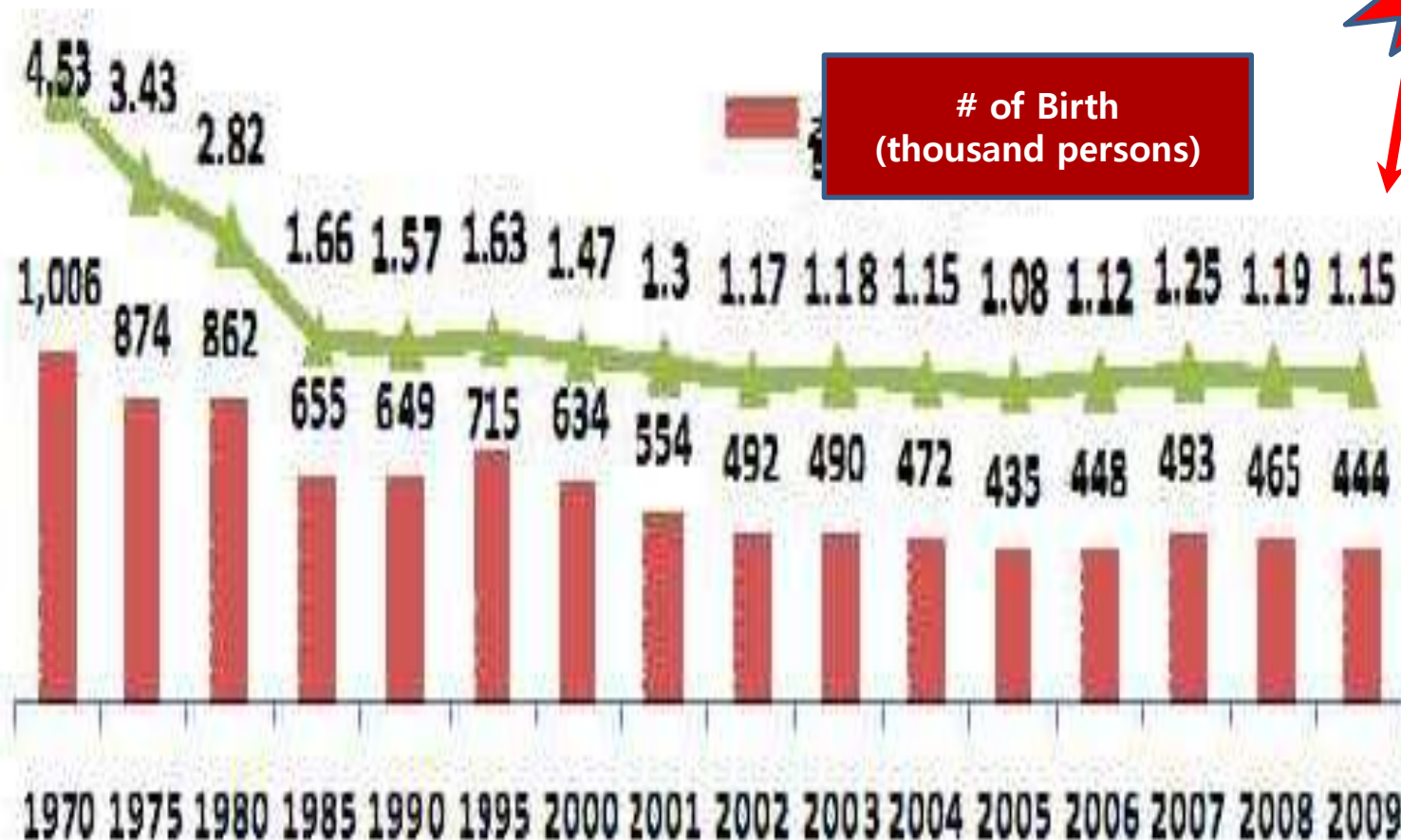
(Figure 2.2) Aging Speed in Major Countries



Note: Figures in < > refer to the year the country would become a super-aged society.

Source: KOSTAT

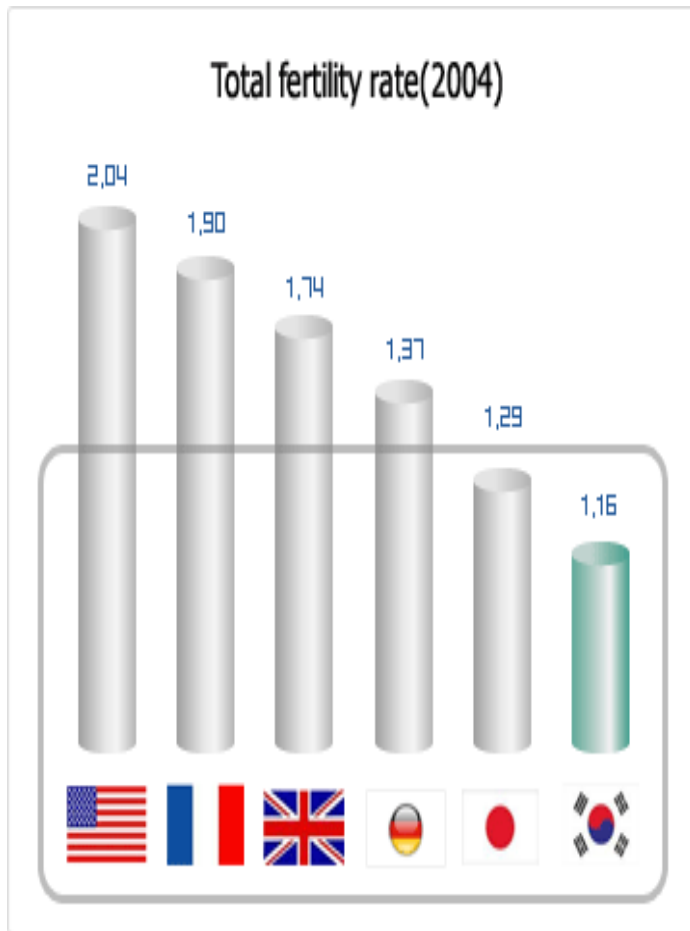
of Birth & Total Fertility Rate (thousand persons, persons)



Source: NSO: Birth Statistics

..Rapidly Increasing aging population & decreasing fertility rate

•A. Fertility rate, expeditious decline

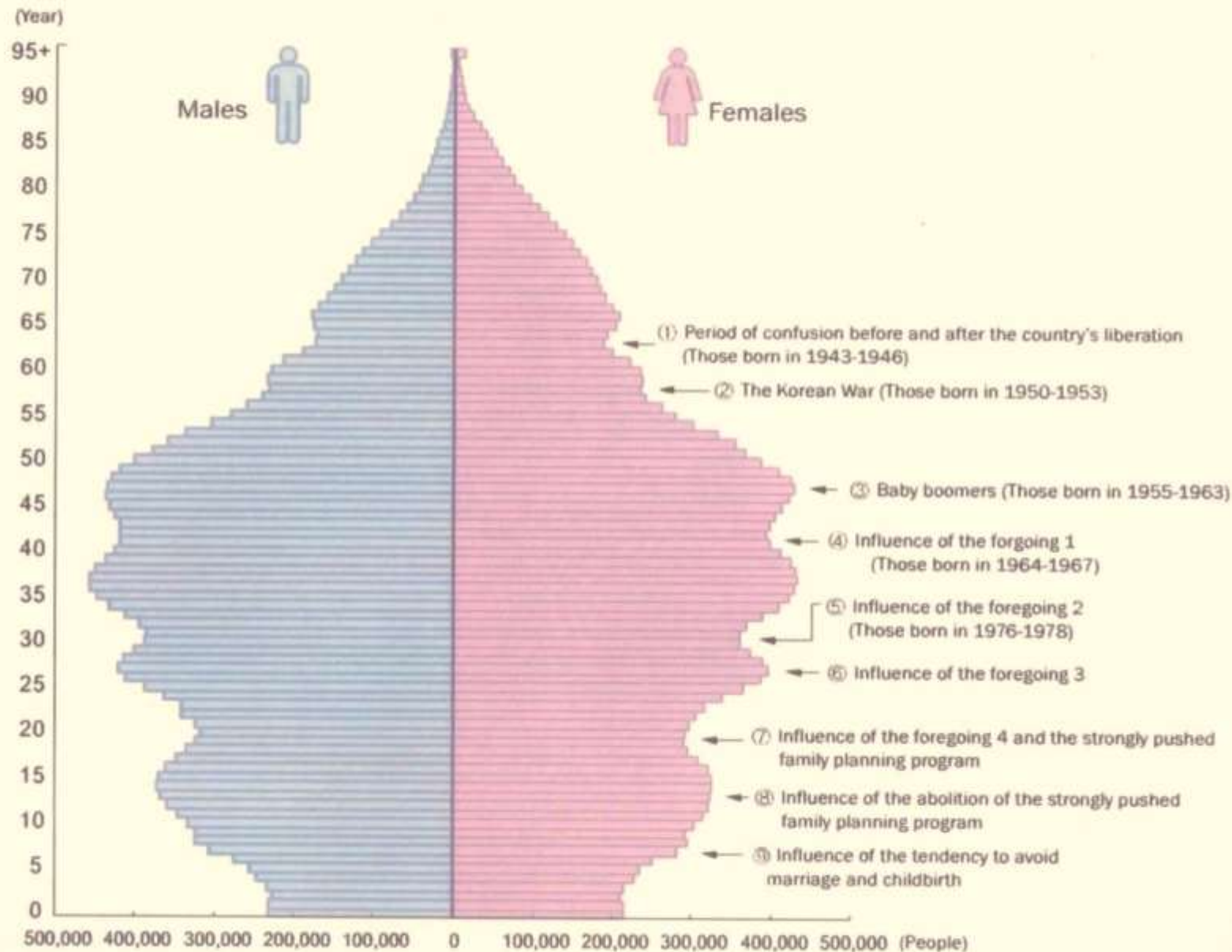


(By & apos;000 heads)

Newly registered

Year	No. of infant delivered	Total fertility rate
1970	1,007	4.53
1980	865	2.83
1990	659	1.59
2000	637	1.47
2005	438	1.08
2010	458	1.21
2020	380	1.24
2030	339	1.28
2050	229	1.30

POPULATION PYRAMID S (July1, 2008)



Baby-boomers

Aged Dependency Ratio and Ageing Index

*The aged population will exceed the young population **in 2016**.

*The ageing index (the aged population per 100 persons aged 0 to 14) recorded 67.7 in 2010.

* The **ageing index** is expected to record **100.7 in 2016**, when the aged population will exceed the young population aged 0 to 14.

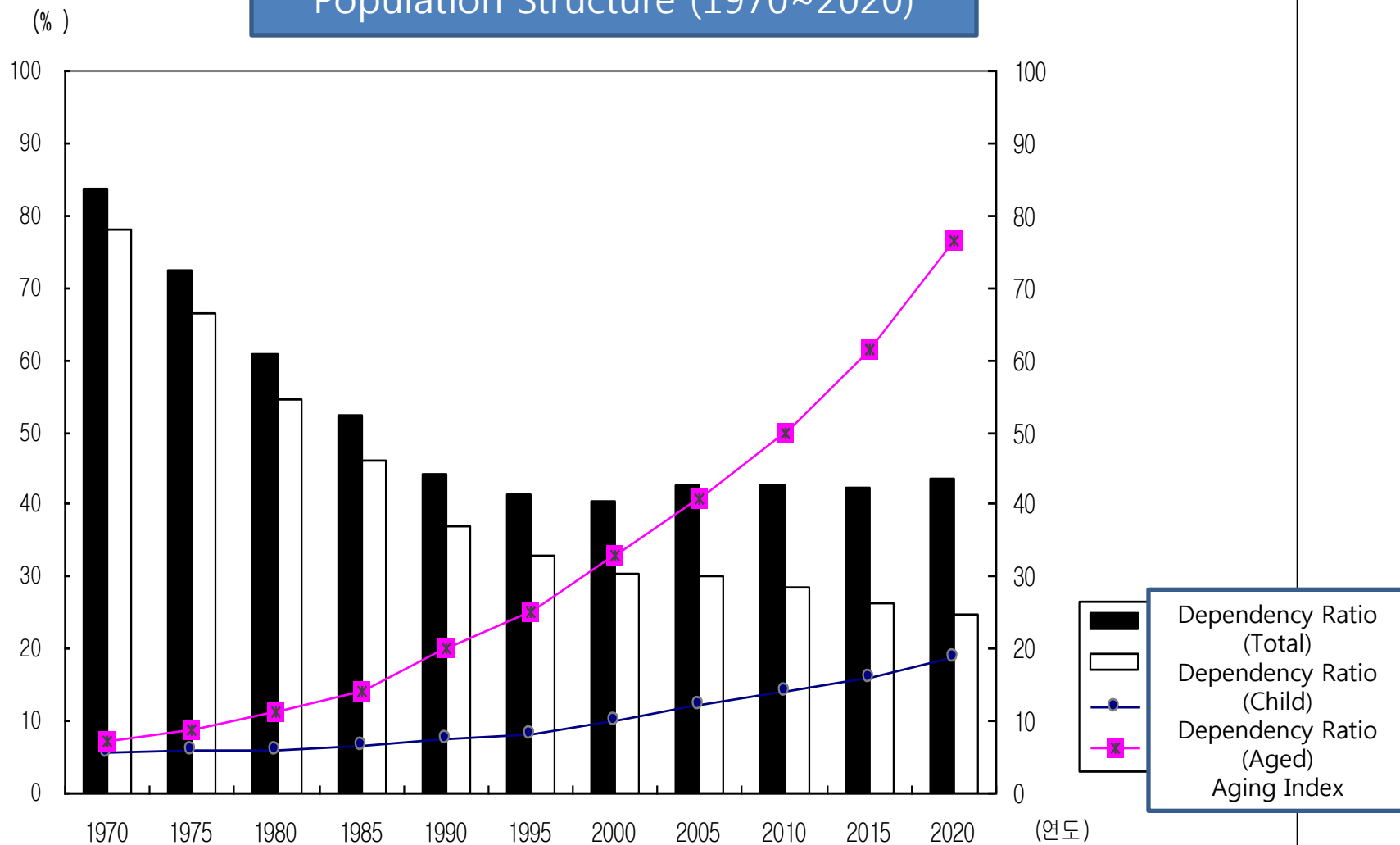
	1980	1990	1998	2000	2008	2010	2016	2020	2030
Aged dependency ratio (%)	6.1	7.4	9.3	10.1	14.3	15.0	18.2	21.7	37.7
Ageing index	11.2	20.0	30.4	34.3	59.3	67.7	100.7	125.9	213.8
# of Person 15-64 for Supporting 1 Elderly	16.3	13.5	10.4	9.9	6.8	6.6	5.5	4.6	2.7

Source: KNSO, 「Population Projections」, 2006

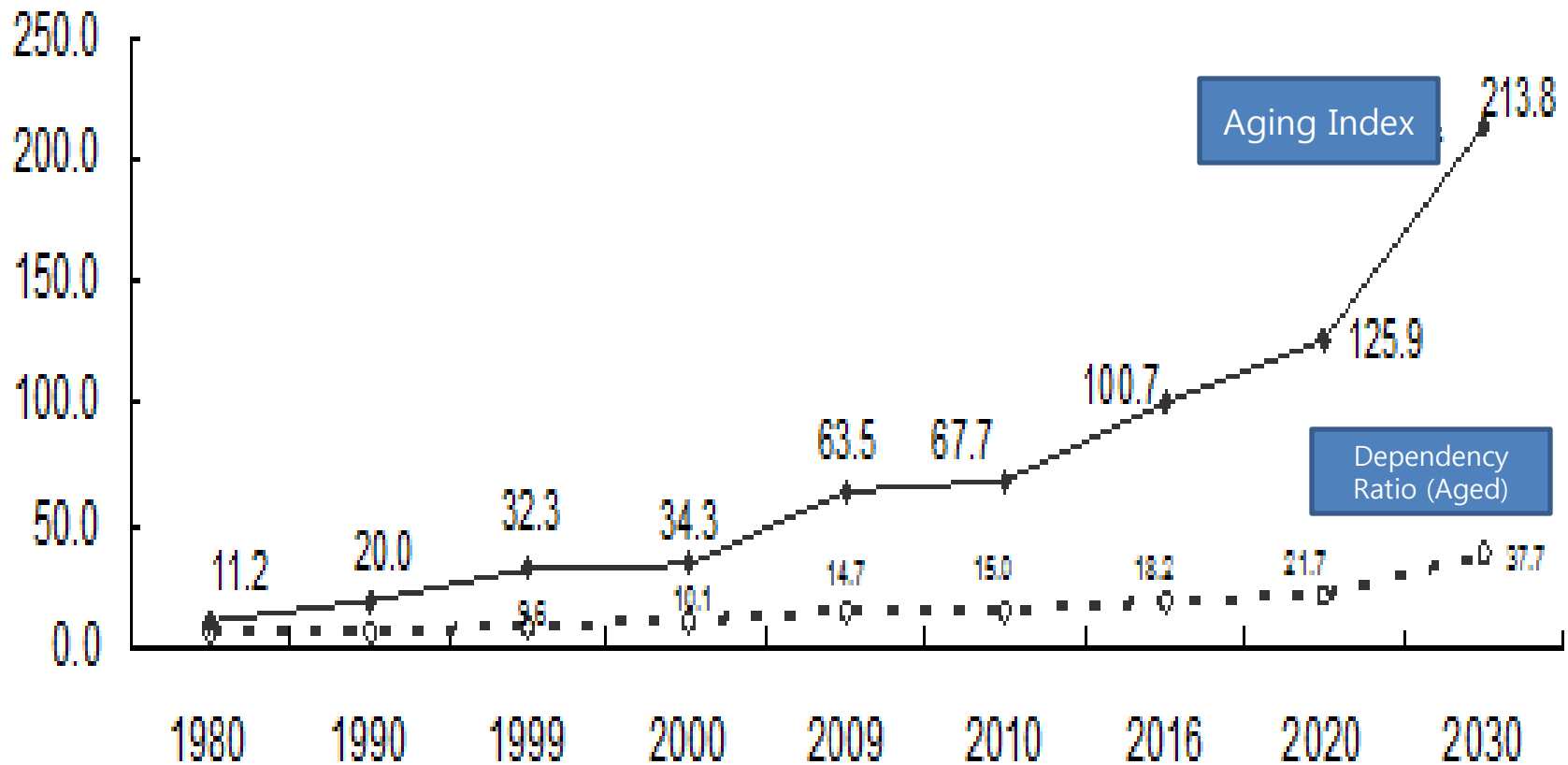
Note) Aged dependency ratio = (Population aged 65 and over / Population aged 15 to 64) × 100

Ageing index = (Population aged 65 and over / Population aged 0 to 14) × 100

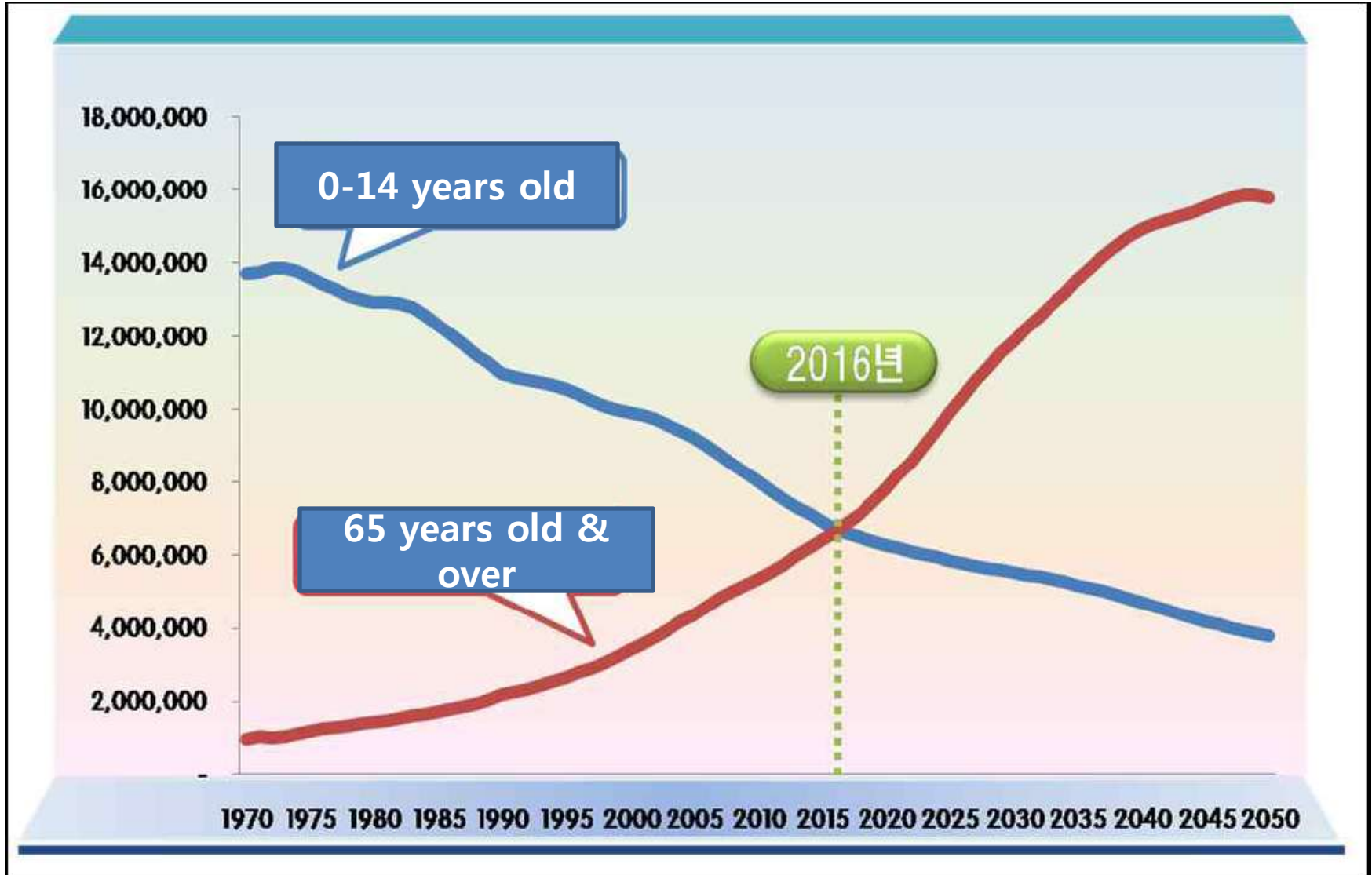
Population Structure (1970~2020)



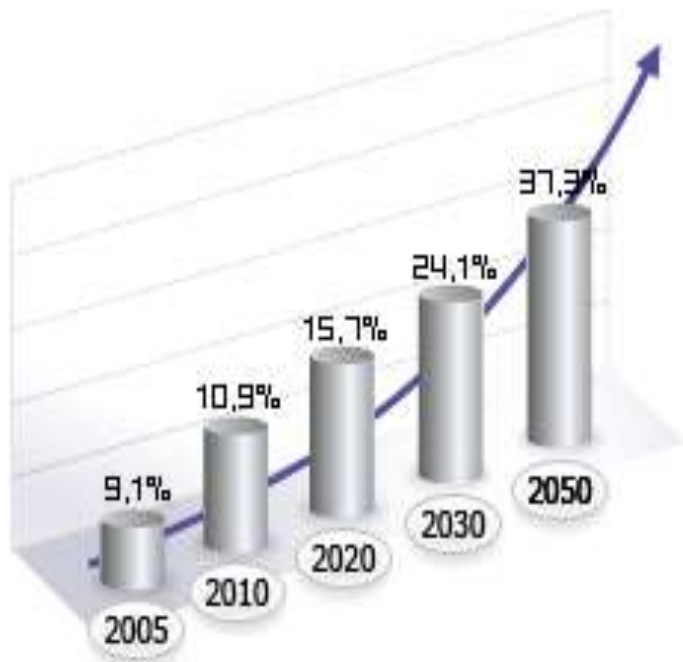
Dependency Ratio for Aged & Aging Index



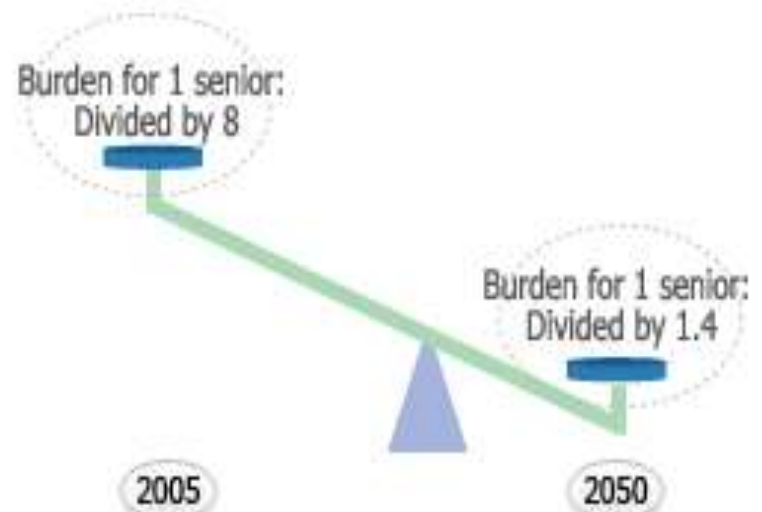
Population Structure



- Aging Population, swift expansion
(The most aged country in the world in 2050)



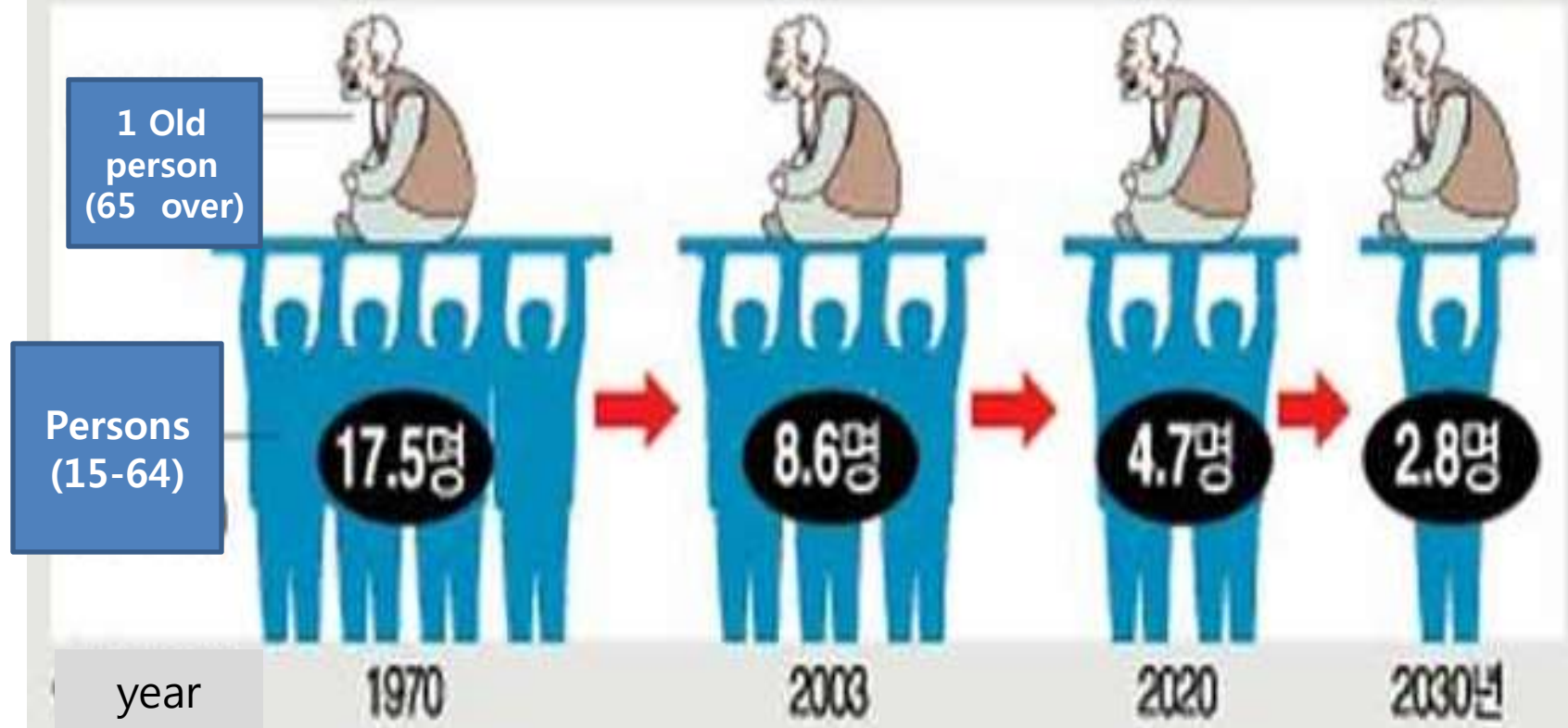
The Population proportion of the aged over 65



The burden of support for seniors by productive population (b/w 15&64)

of Persons need for Supporting 1 Elderly Person

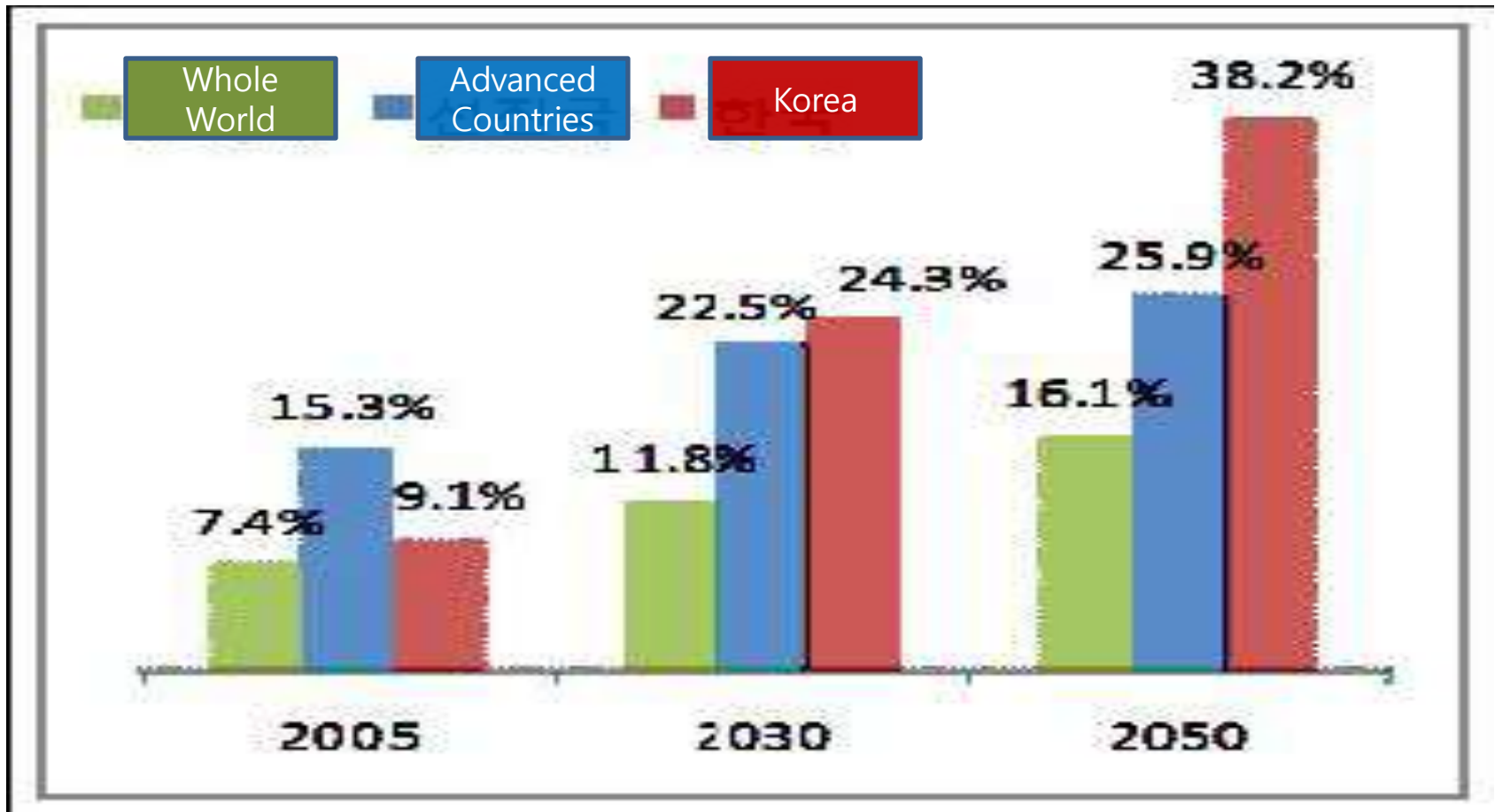
2005 : 7.9 young working persons support 1 elderly
2030 : 2.8 young persons support 1 elderly person



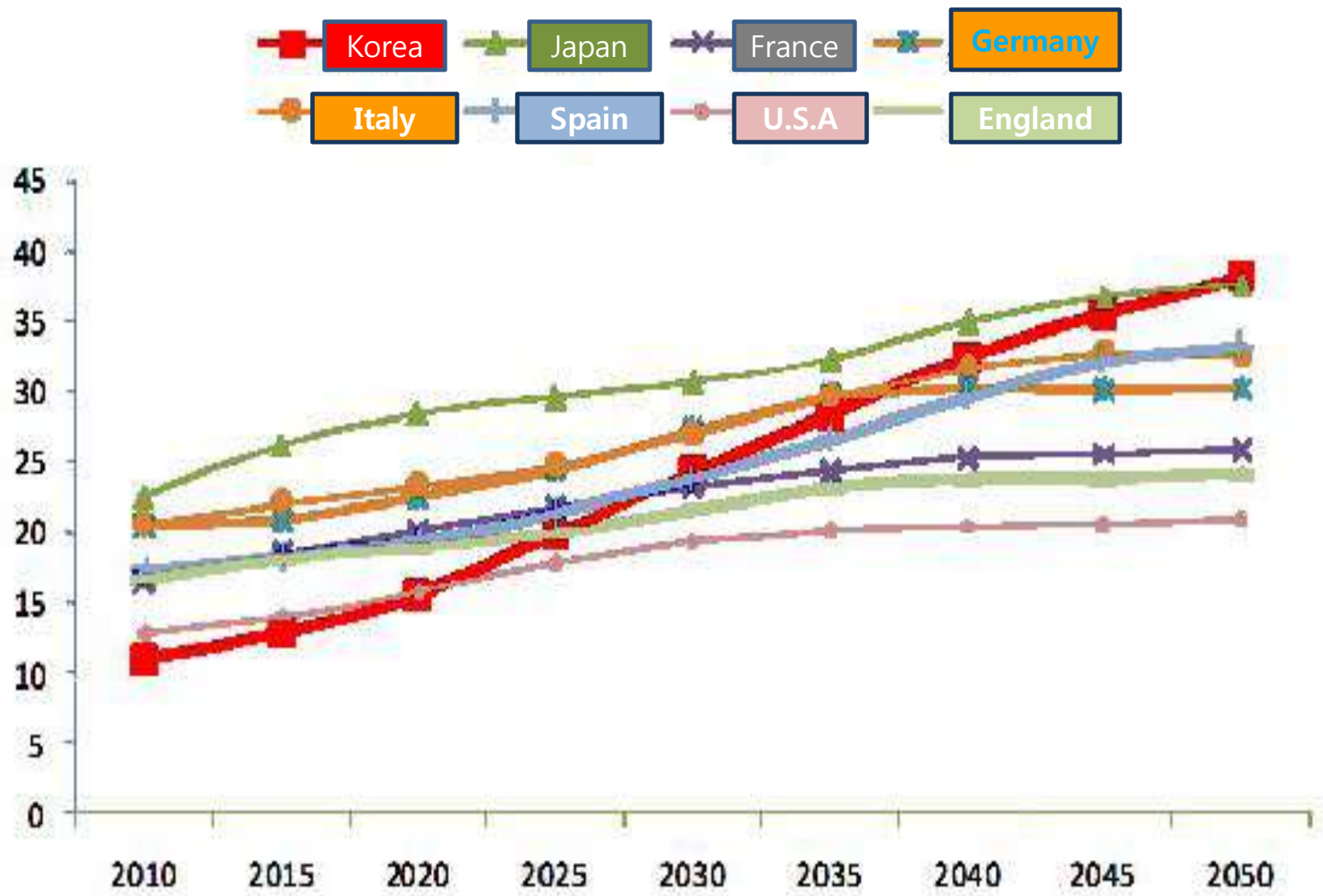
•The aged dependency ratio (Population aged 65 and over / Population aged 15 to 64 × 100) marked 15.0 **in 2010**, which means that **one aged person depends on 6.6 working age persons**.

•It is predicted that in 2020 one aged person depends on 5 working age persons and **in 2040 one aged person depends on 2 working age persons**.

Elderly Population Prospect: (%)



UN, World Population Prospect, '06



Population Projections and Summary indicators for Korea (Population items)
(Y : 2010 ~ 2050)

By population, dependency ratio	2010	2015	2020	2030	2040	2050
Population increase rate (%)	0.26	0.10	-0.02	-0.25	-0.67	-1.07
0-14 years old (Person)	7,906,908	6,732,801	6,118,161	5,525,336	4,777,229	3,763,081
15-64 years old (Person)	35,610,778	36,163,474	35,506,403	31,298,528	26,524,881	22,423,931
65 years old and over (Person)	5,356,853	6,380,819	7,701,125	11,810,707	15,040,907	16,155,757
Percent distribution: 0-14 years old (Percent)	16.2	13.7	12.4	11.4	10.3	8.9
Percent distribution: 15-64 years old (Percent)	72.9	73.4	72.0	64.4	57.2	53.0
Percent distribution: 65 years old and over (Percent)	11.0	12.9	15.6	24.3	32.5	38.2
Dependency ratio(Total)	37.2	36.3	38.9	55.4	74.7	88.8
Dependency ratio(Child)	22.2	18.6	17.2	17.7	18.0	16.8
Dependency ratio(Aged)	15.0	17.6	21.7	37.7	56.7	72.0
Aging index	67.7	94.8	125.9	213.8	314.8	429.3

Population aged 65 and over by Sex and Composition

The sex ratio (the number of males per 100 females) of the population aged 65 and over marked **69.2 persons in 2010**, increasing 7 persons from ten years ago.

(Unit: thousand persons , %, per 100 females)

	1980	1990	1998	2000	2008	2010	2020	2030
Male population	19,236	21,568	23,296	23,667	24,416	24,540	24,680	24,190
Males aged 65 and over (composition)	545 (2.8)	822 (3.8)	1,155 (5.0)	1,300 (5.5)	2,032 (8.3)	2,190 (8.9)	3,303 (13.4)	5,218 (21.6)
Female population	18,888	21,301	22,991	23,341	24,191	24,334	24,646	24,444
Females aged 65 and over (composition)	911 (4.8)	1,373 (6.4)	1,914 (8.3)	2,095 (9.0)	2,984 (12.3)	3,167 (13.0)	4,398 (17.8)	6,593 (27.0)
Sex ratio¹⁾	59.7	59.8	60.3	62.0	68.1	69.2	75.1	79.1

Source: KNSO, 「Population Projections」, 2006

Note 1) Sex ratio = Male population aged 65 and over / Female population aged 65 and over × 100

Aged Population by Sex and Age group

In 1,000 persons

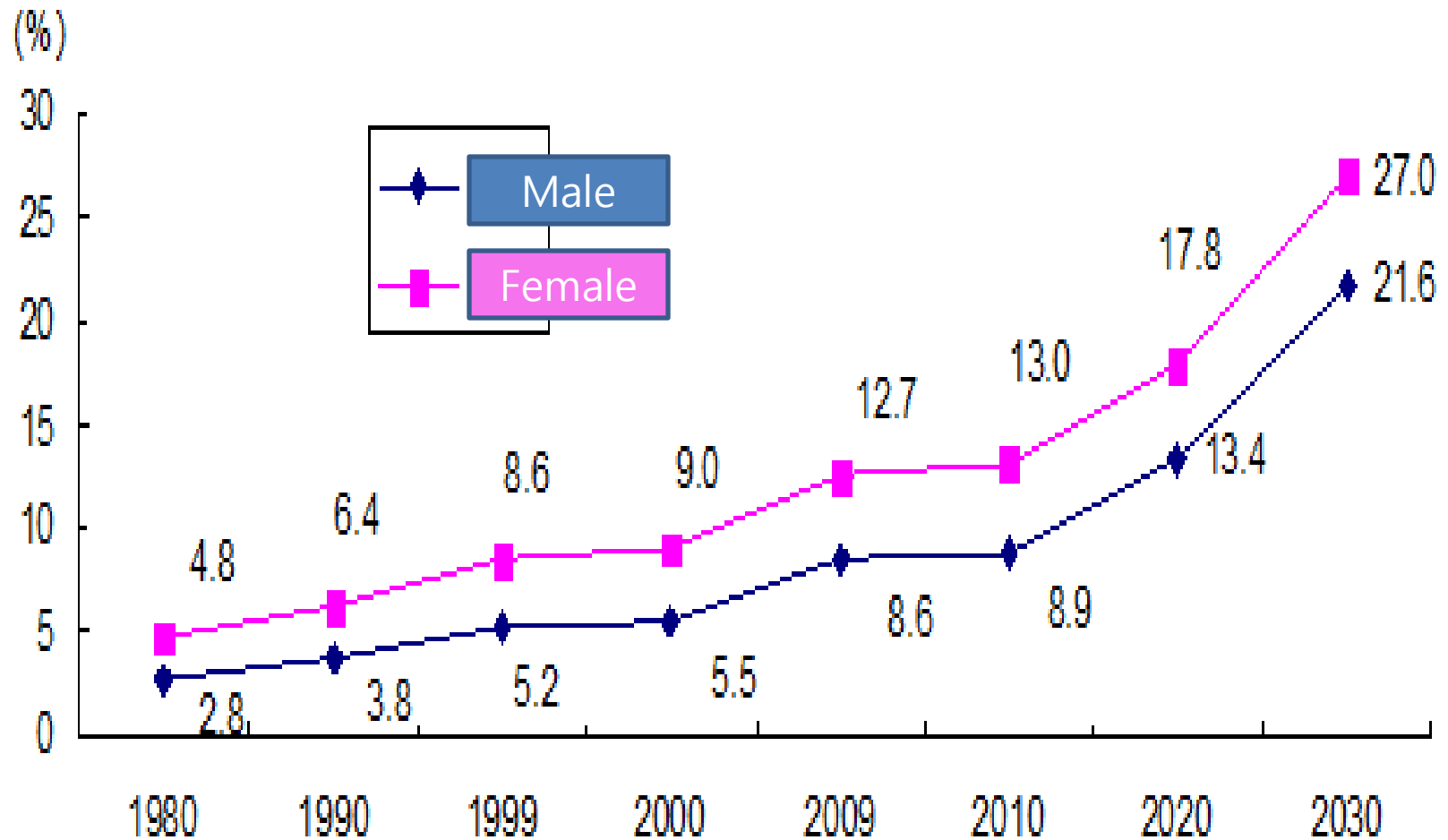
Year & sex		Aged population (65 years & over)	Young-old (65 - 74 years)	Mid.-old (75 - 84 years)	Oldest-old (85 years & over)
1990	Total	2 195	1 500	393	302
	Male	822	610	132	80
	Female	1 373	890	261	223
2000	Total	3 395	2 303	918	173
	Male	1 300	948	311	40
	Female	2 095	1 355	607	133
2005	Total	4 367	2 929	1 197	241
	Male	1 734	1 266	407	60
	Female	2 633	1 663	790	180
2010	Total	5 357	3 338	1 646	373
	Male	2 190	1 492	599	99
	Female	3 167	1 846	1 047	274
2020	Total	7 701	4 489	2 442	770
	Male	3 303	2 104	973	227
	Female	4 398	2 385	1 470	543

Source : Statistics Korea, 「Population Projections」 2006. 11.

Note : 1) 1980, 1990 : 75 - 79 years

2) 1980, 1990 : 80 years old & over

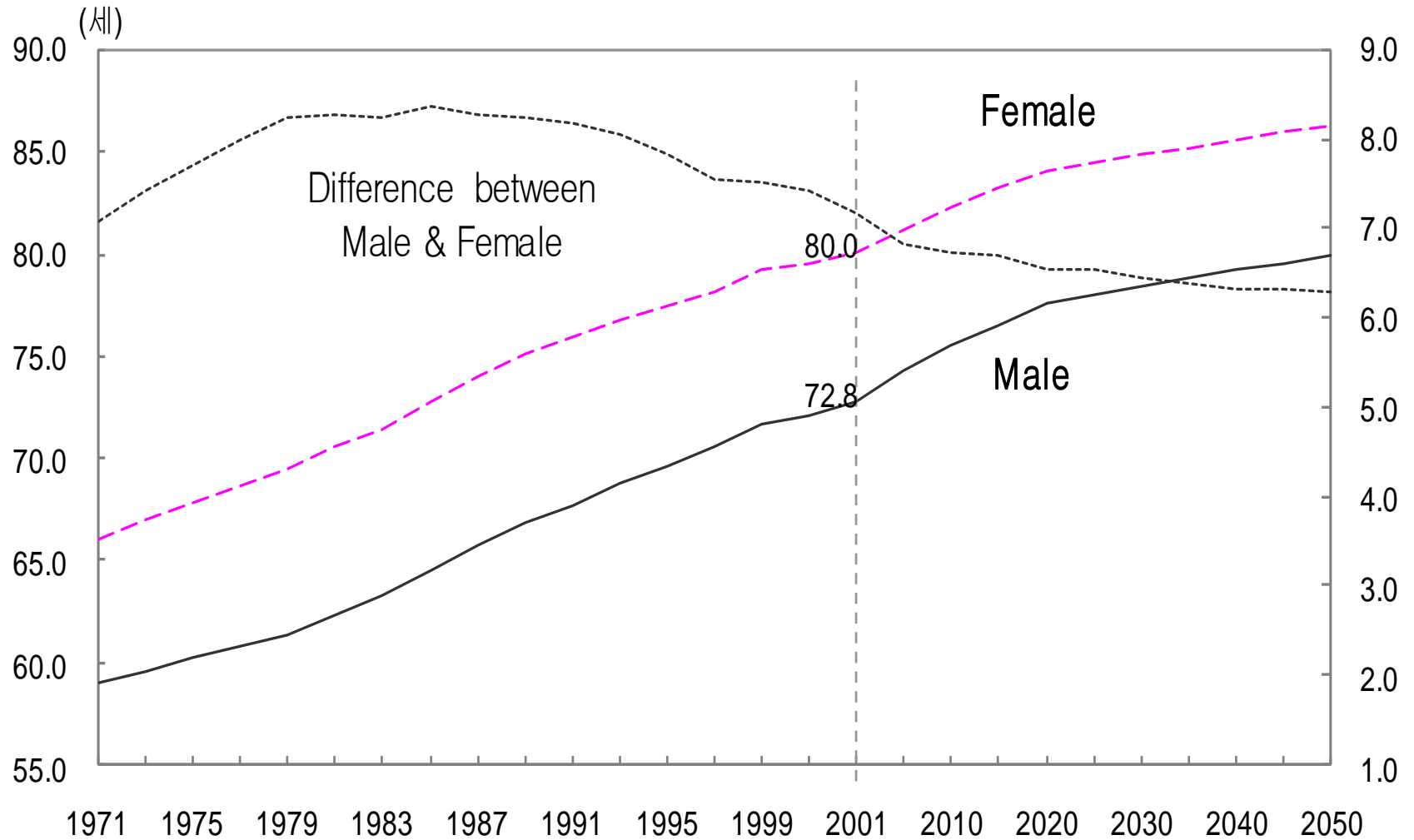
Elderly Population by Sex



Life Expectancy by Sex

By item	2006	2007	2008	2011	2012
Life expectancy at birth (age)	79.18	79.56	80.08	81.2	81.4
Life expectancy at birth Male (age)	75.74	76.13	76.54	77.6	77.9
Life expectancy at birth Female (age)	82.36	82.73	83.29	84.5	84.6

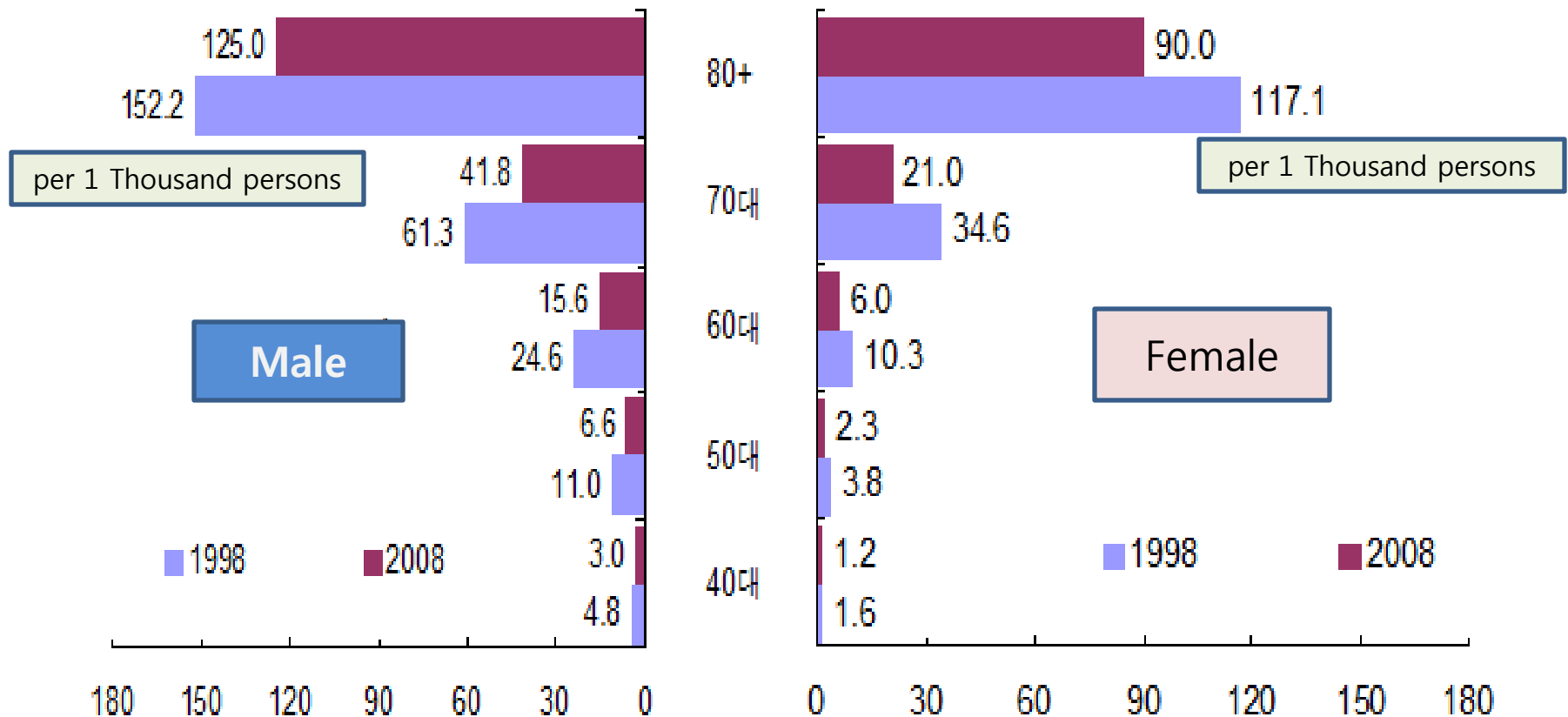
Life Expectancy



Death Rate by Sex & Age

The death rate for the male population in their age 60s, & female in their age 70s increase rapidly, but they are much lower than those of 10years ago.

The death rate of the male population aged 65 and over showed a downward trend owing to the development of medical services and the interest in health care.



Causes of death and death rates for the aged population

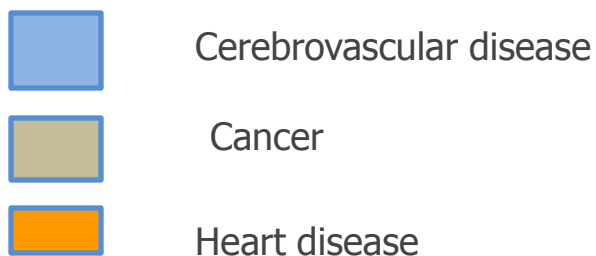
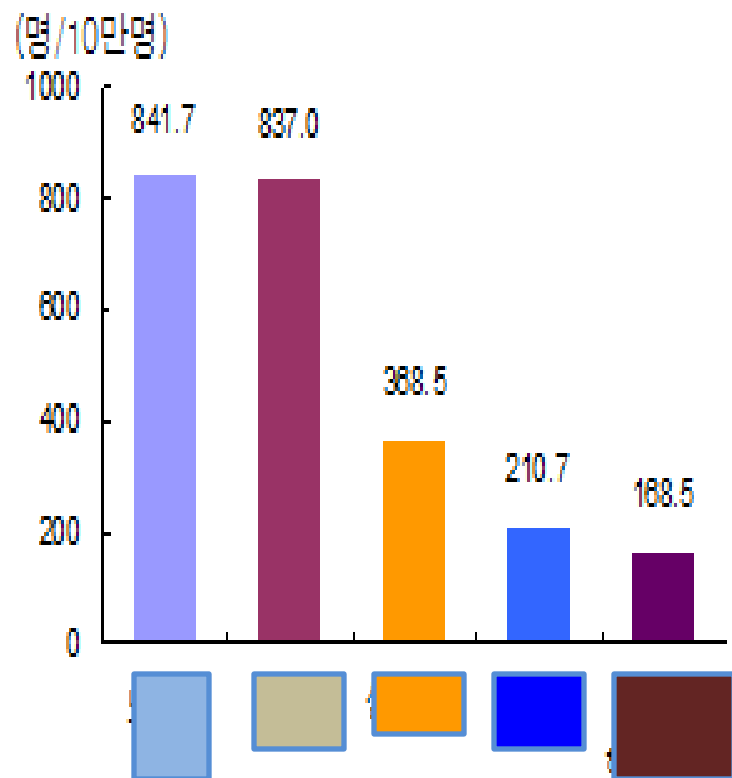
For the past ten years, cancer was the top cause of death for the aged population, which was followed by cerebrovascular diseases and heart diseases.

(Unit: per 100,000 population)

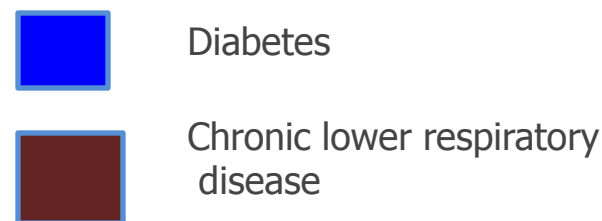
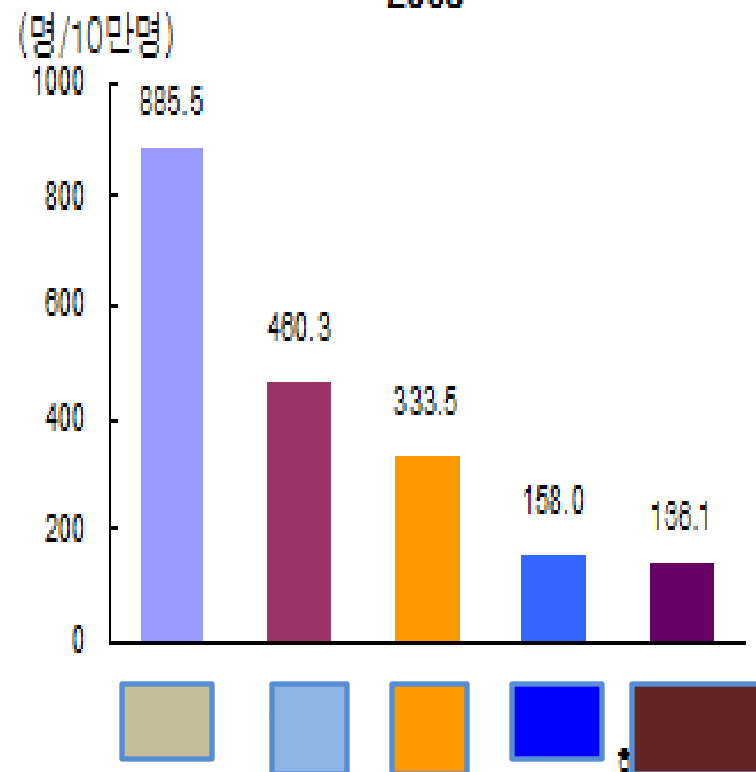
Rank	1	2	3	4	5
1999	Cancer (863.1)	Cerebrovascular disease (807.8)	Heart disease (368.1)	Diabetes (218.0)	Chronic lower respiratory disease (176.9)
2008	Cancer (885.5)	Cerebrovascular disease (460.3)	Heart disease (333.5)	Diabetes (158.0)	Chronic lower respiratory disease (136.1)
2009	Cancer (865.4)	Cerebrovascular disease (410.7)	Heart disease (332.6)	Diabetes (146.6)	Chronic lower respiratory disease (124.4)

Causes of death and death rates for the aged population

1998



2008



Death rates by kind of cancer

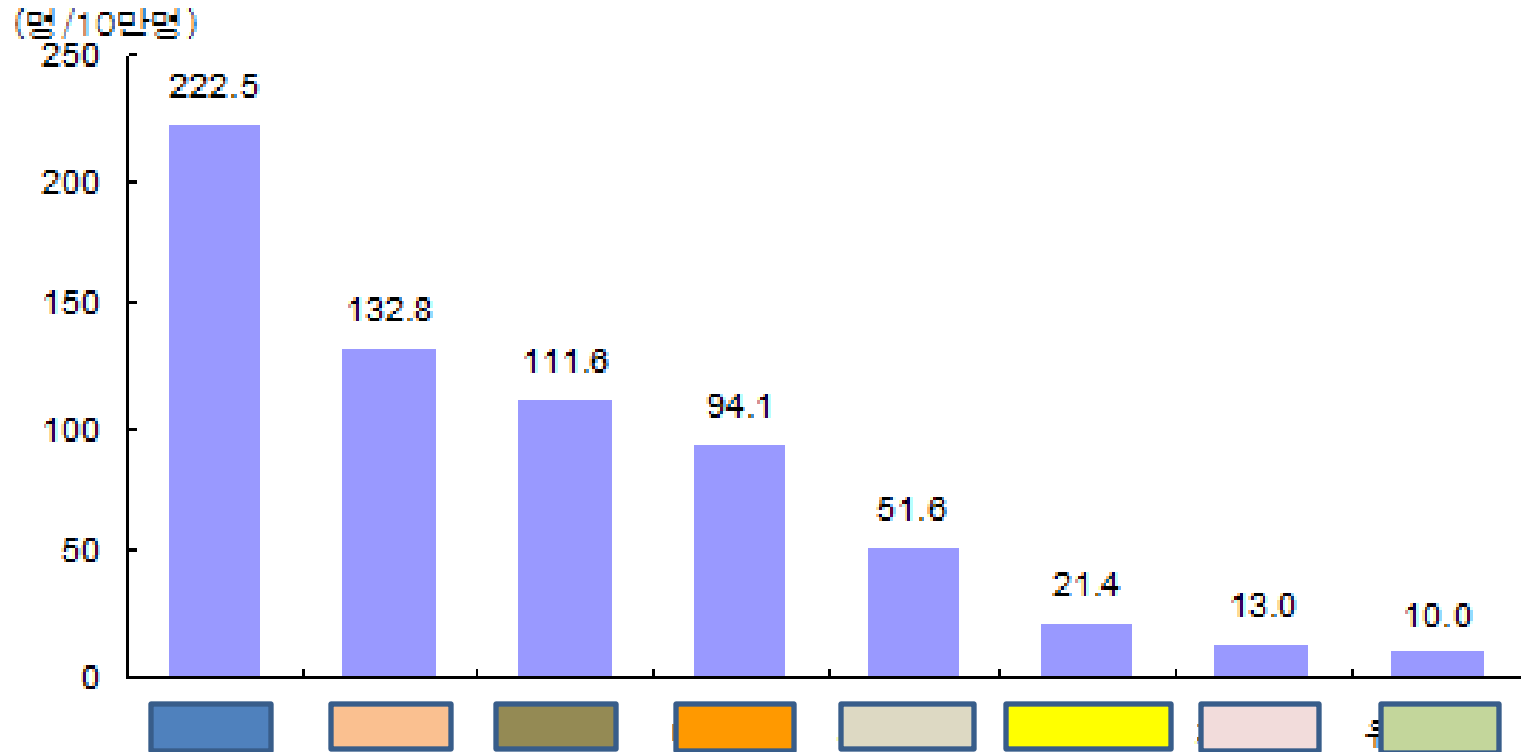
- As for the death rates by kind of cancer, lung cancer was ranked first, which was followed by stomach cancer and liver cancer. As for the female death rates, lung cancer was ranked first, which was followed by stomach cancer and colon cancer.





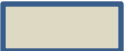



(Unit: per 100,000 population)

			Total				
				Stomach cancer	Colon cancer	Liver cancer	Pancreatic cancer
2008			139.5	20.9	13.9	22.9	7.6
	65 and over		885.5	132.8	94.1	111.6	51.6
		Males	1,379.6	212.0	128.1	185.3	65.7
		Females	554.3	79.6	71.4	62.2	42.2
2009			140.5	20.4	14.3	22.6	8.2
	65 and over		865.4	125.4	94.4	105.9	54.4
		Males	1,318.5	200.0	125.3	171.1	66.9
		Females	559.2	75.0	73.6	61.9	46.0
			Lung cancer	Breast cancer	Cervical cancer	Prostate cancer	
2008			29.9	3.5	2.6	2.4	
	65 and over		222.5	10.0	13.0	21.4	
		Males	406.8	0.4	-	53.4	
		Females	99.0	16.5	21.8	-	
2009			30.0	3.8	2.5	2.5	
	65 and over		214.9	10.1	12.9	22.0	
		Males	384.9	0.5	-	54.5	
		Females	100.1	16.6	21.6	-	

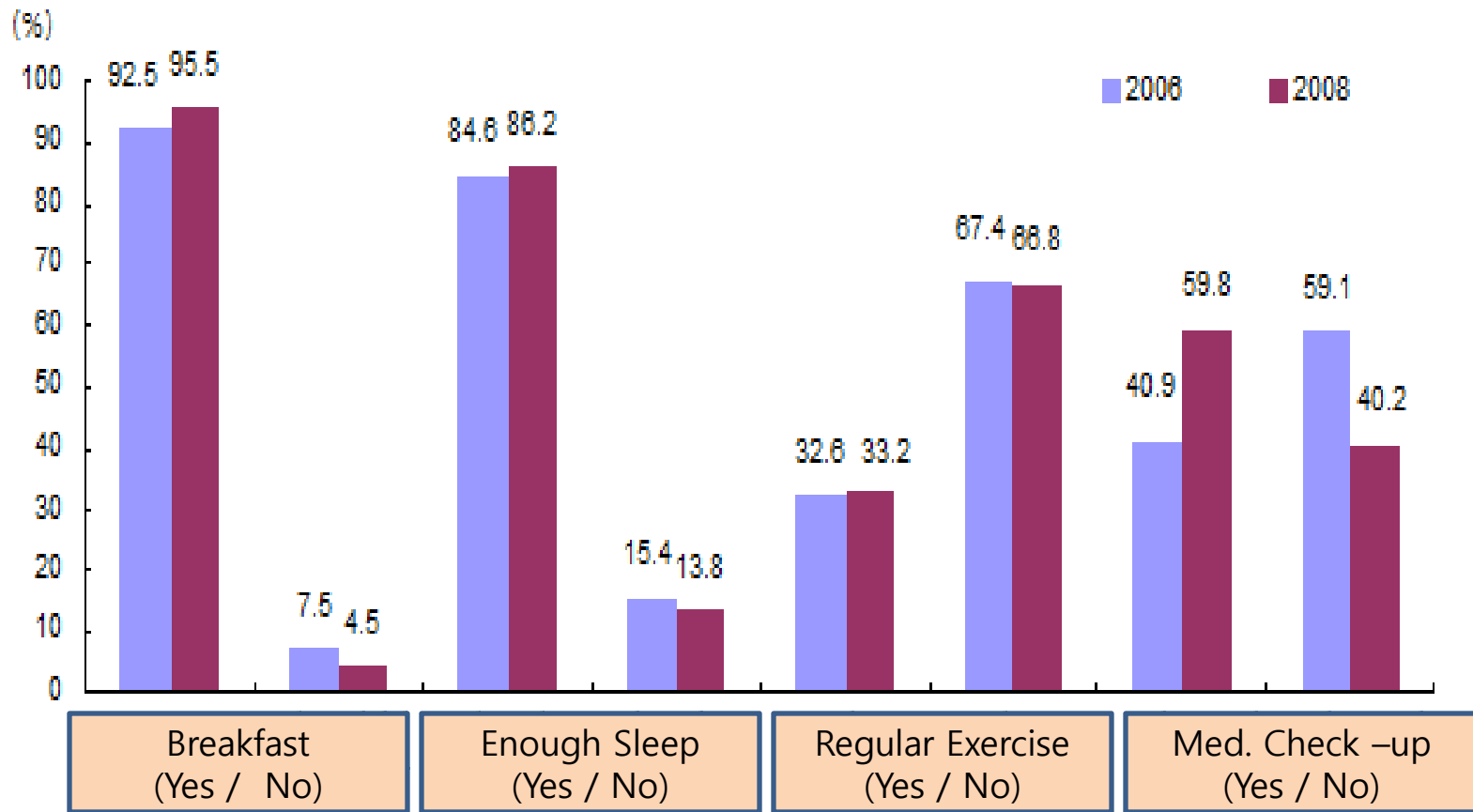
Death rates by kind of cancer for 65 & over (2008)

(Unit: per 100,000 population)



 Lung cancer	 Stomach cancer	 Liver cancer	 Colon cancer
 Pancreatic cancer	 Prostate cancer	 Cervical cancer	 Breast cancer

Methods of Health maintenance for the Aged



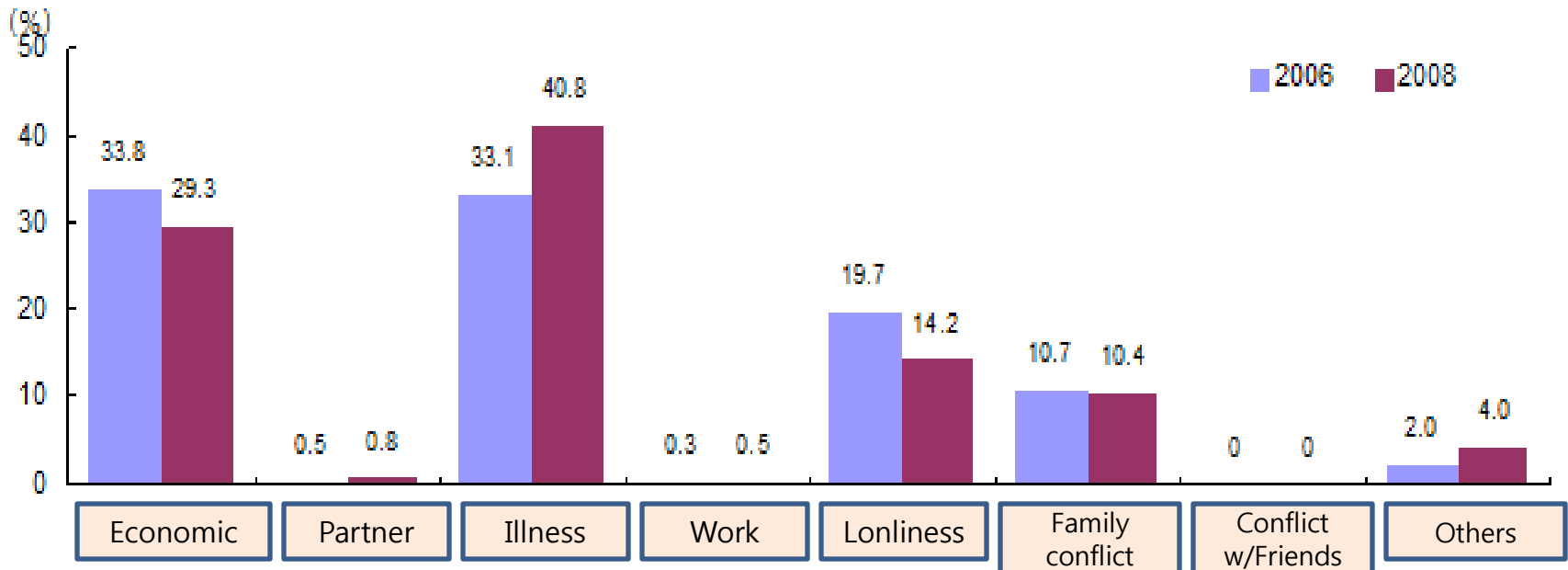
The aged population showed more interest in health care.
The aged population had breakfast and slept at an optimal level for their health.
The number of the aged who showed interest in regular medical check-ups increased by 18.9%p in 2008.

Impulse to Kill Themselves

7.6 percent of the aged population felt the impulse to kill themselves for the past one year.

The older, the more they felt the impulse to kill themselves. 8.2 percent of the population in their seventies felt the impulse to kill themselves. 9.9 percent of the population in their eighties and over felt the impulse to kill themselves.

Reasons to feel the impulse to kill themselves



Household income and expenditure of the aged households

-The average monthly household income of the aged population amounted to 1,830 thousand won in 2009, which stood at 53 percent of the average monthly household income of the total population. Transfer, a major income source for the aged population, occupied 33.1 percent of the total income.

- The average monthly consumption expenditure totaled 1,230 thousand won. The expenditure on 'Food and non-alcoholic beverages' (21.9 percent), 'Health' (14.4 percent) and 'Housing, water, electricity and other fuels' (14.3 percent) accounted for 50.6 percent of the total expenditure.

(Unit: thousand won, %)

2009	The aged households	The total households
Number of household members	2.47	3.34
Average age of household head	71.15	47.84
Income	1,826.4	3,442.8
Regular income	1,687.1	3,302.9
Employee income	590.6	2,244.0
Self-employment income	455.0	750.6
Transfer	605.1	293.1
Household expenditure	1,552.7	2,782.8
Consumption expenditure	1,228.2	2,156.1
(Percentage)		
Food and non-alcoholic beverages	(21.9)	(13.8)
Health	(14.4)	(6.6)
Housing, water, electricity & other fuels	(14.3)	(9.8)
Transport	(10.3)	(12.3)
Restaurants & hotels	(9.9)	(13.0)
Communication	(5.2)	(6.2)
Others	(23.9)	(38.3)

Difficulties for the Aged Population

-In 2009, the most serious difficulties were 'financial problems' (41.4 percent) and 'health problems' (40.3 percent).

-The reason why the aged population wanted to have a job was 'to supplement their living expenses', which occupied 56.8 percent.

-In 2009, 61 percent of the aged population thought that they didn't provide for their old age.

-48 percent of the aged population got financial support from their children (relatives) or the government (social institutions).

-In 2009, 61 percent of the aged population thought that they didn't provide for their old age.

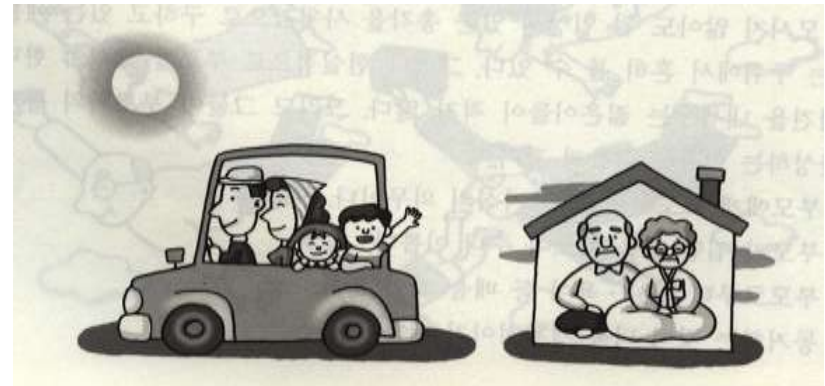
-In 2009, the deaths from traffic accidents totaled 5,838 persons.

The deaths from traffic accidents for the aged population amounted to 2,195 persons. This figure occupied 37.6 percent of the total deaths from traffic accidents, which rose 15.5%p from 1999.

- 61.2 percent of the aged population felt anxiety toward 'traffic accidents'

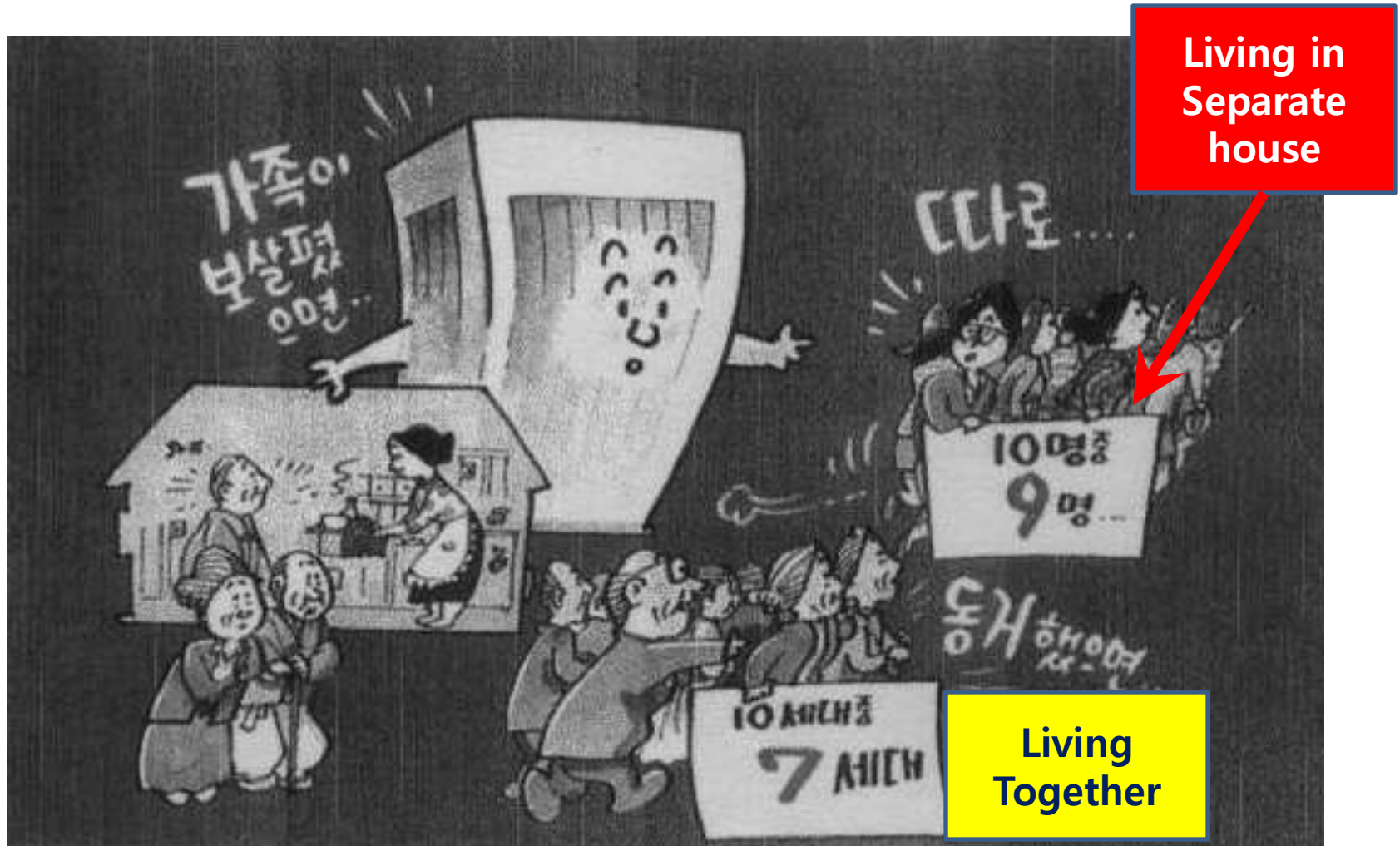
Living Arrangement

**Where?
Alone? Or With whom?**



**Who will take care the
old, when they are sick?**

Generation Gap: Living Arrangement

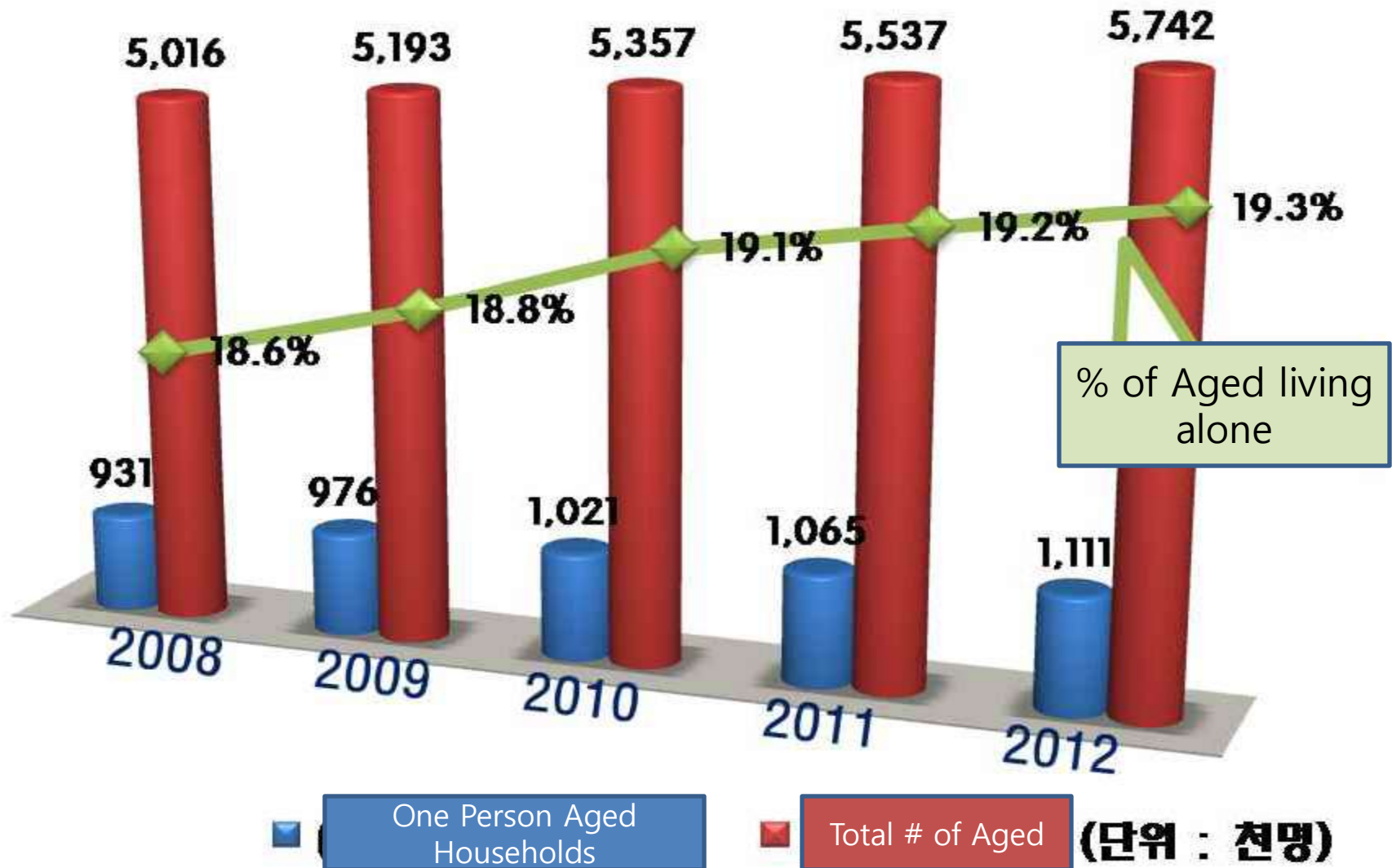


The Aged Households

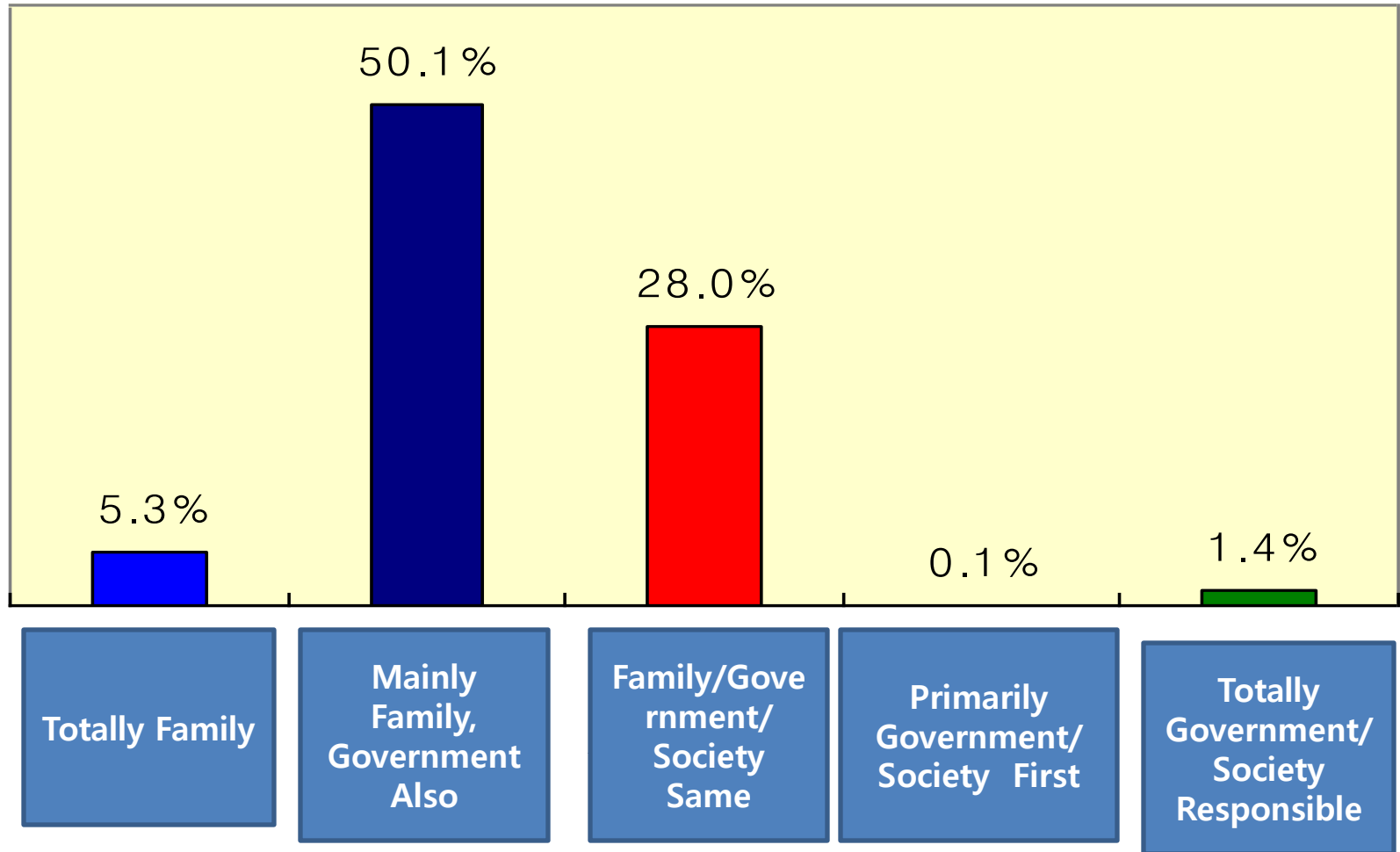
- The share of the aged households stood at **17.4 percent in 2010**. This percentage is predicted to increase to 32.3 percent in 2030.
- Currently, **61.8 percent of the aged don't live with their off springs**.
- The welfare service that the aged needed the most was medical checkups, which occupied 40.5 percent.

	Total households	(Unit: household, %)			
		The aged households	(Percentage)	One-person aged households	(Percentage)
2000	14,507,010	1,733,525	11.9	543,522	3.7
2010	17,152,277	2,982,240	17.4	1,021,008	6.0
2020	19,011,815	4,231,578	22.3	1,512,082	8.0
2030	19,871,144	6,410,665	32.3	2,338,354	11.8

unit : Thousand Persons



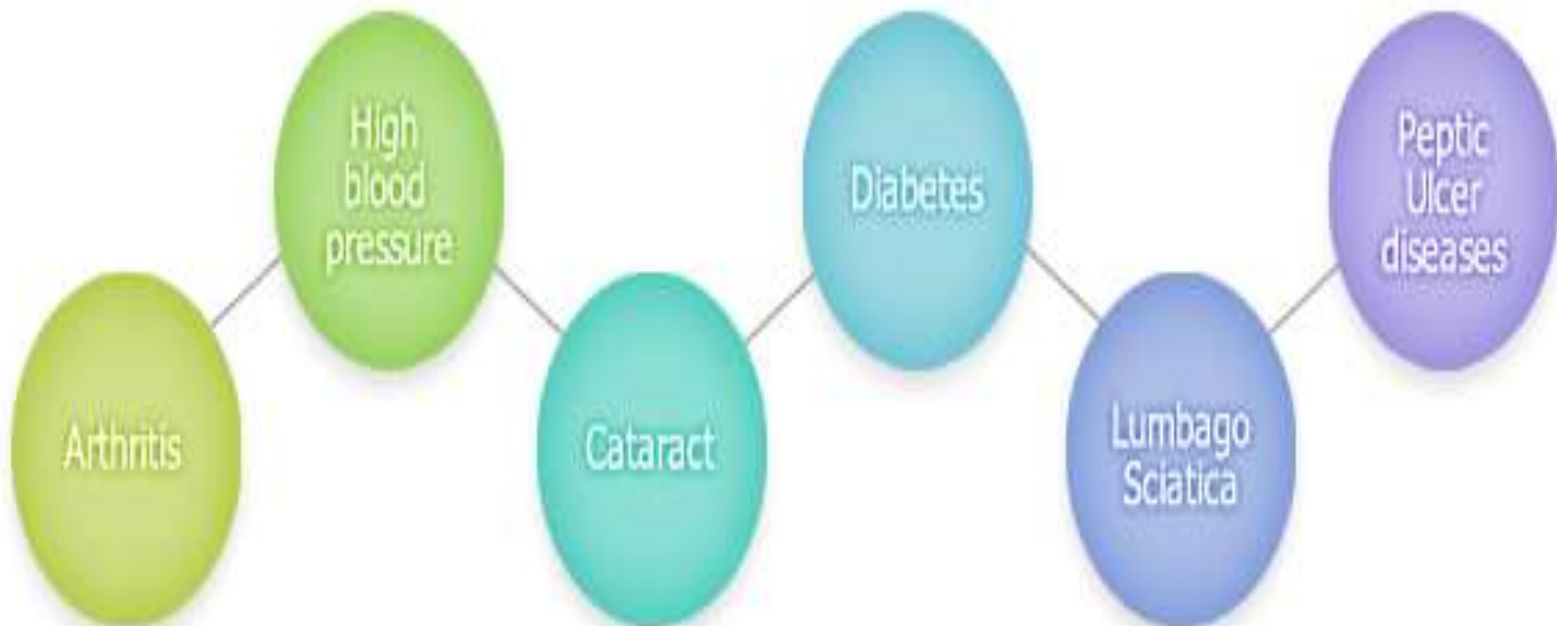
Whose Responsibility for Elderly Care?



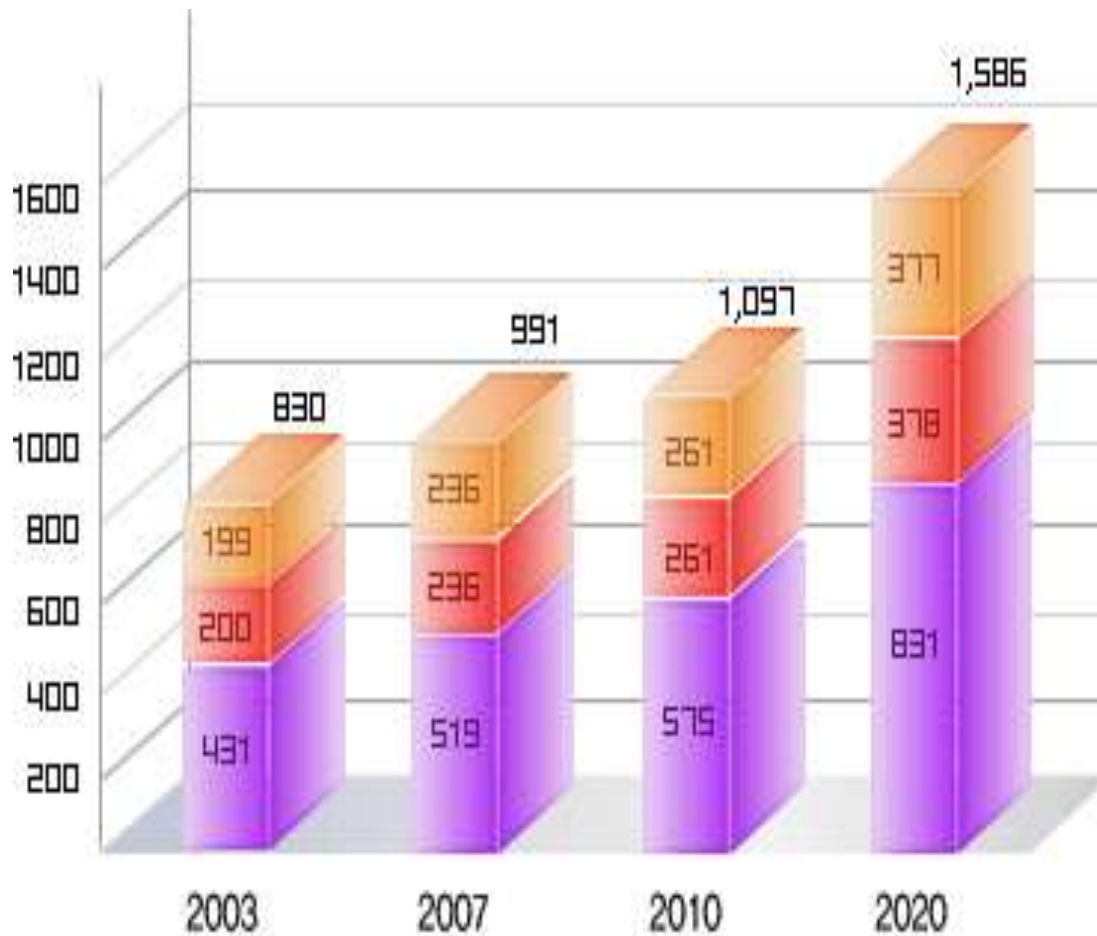
Increase of the Aged with illness

Alzheimer (8.3%, 330K persons) : Serious 1.1%, Modest 2.3%, Minor 4.9%
- Increase of illness rate: 2003(8.3%), 2010(8.6%), 2020 (9.0%)
- Palsy, CVA (Cerebrovascular Accident): 4.4%

Approx. 86.7% of the aged = Patients with various chronic diseases



Alzheimer



No. of Alzheimer
(Minor to Serious)

2003 : 0.59Million

→ 2007 : 0.71M

→ 2010 : 0.79M

→ 2020 : 1.14M



Serious to Most serious



Alzheimer



Physically endured/Minor

Budget for the Welfare of the Aged

The budget for the welfare of the aged was **12.2 times more** than ten years ago.

In 2008, the budget for the welfare of the aged marks 2,061.9 billion won, which occupies **1.2 percent** of the total government budget or **13.3 percent** of the budget for the Ministry of Health and Welfare.

(Unit : 100 million won, %)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Budget for the welfare of the aged	1,691	1,917	2,809	3,089	3,786	4,011	5,005	3,302	3,929	5,692	20,619
Over the government budget	0.2	0.2	0.3	0.3	0.4	0.3	0.4	0.2	0.3	0.4	1.2
Over the budget for the Ministry of Health and Welfare	5.4	4.6	5.3	4.1	4.9	4.7	5.4	3.8	4.0	4.9	13.3

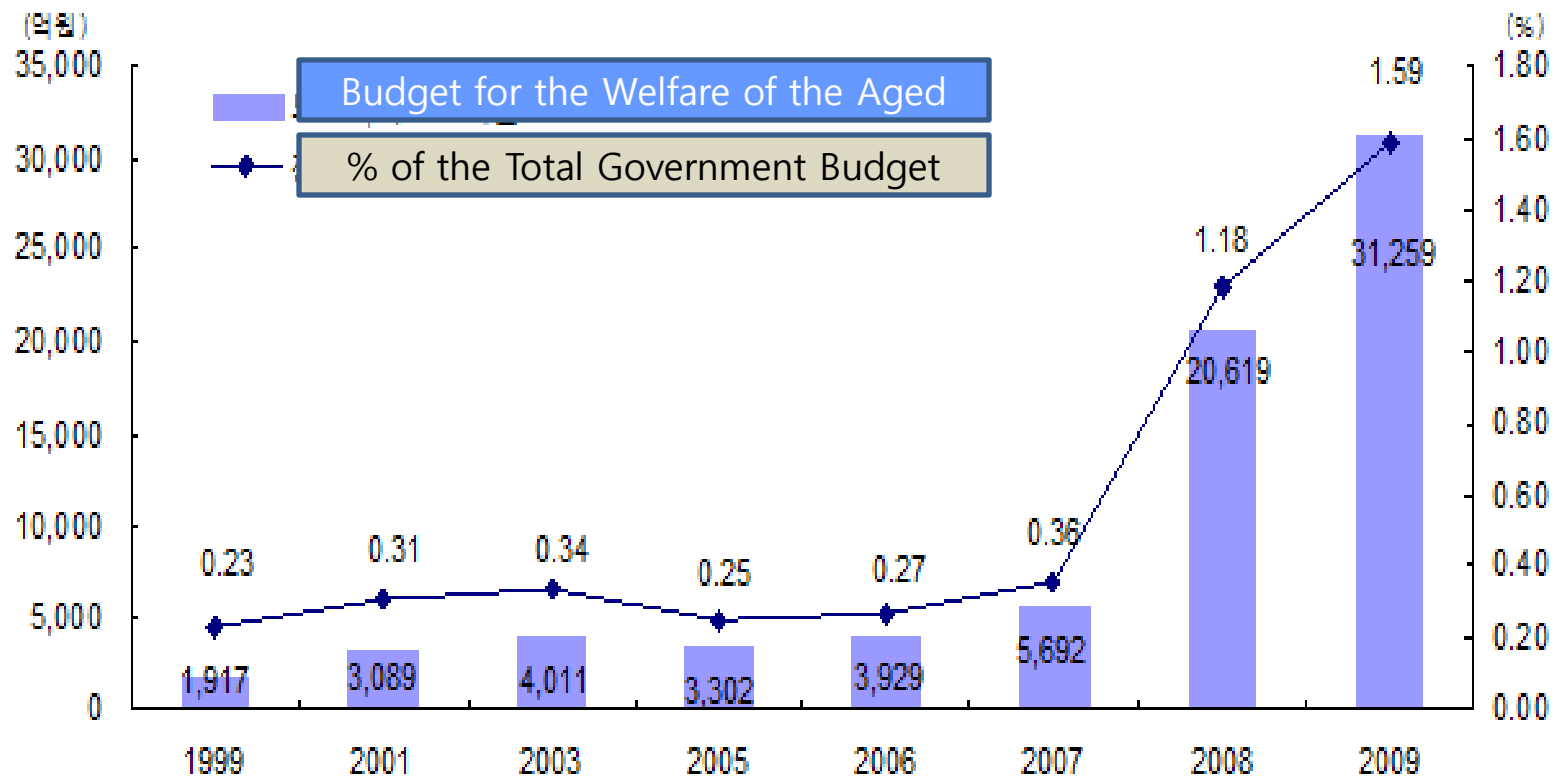
Source: Ministry of Health and Welfare

Budget for the Welfare of the Aged

The budget for the welfare of the aged in 2009 was 16.3 times more than ten years ago.

In 2009 the budget for the welfare of the aged marks 3,125.9 billion won, which occupies 1.6 percent of the total government budget or 16.2 percent of the budget for the Ministry of Health and Welfare.

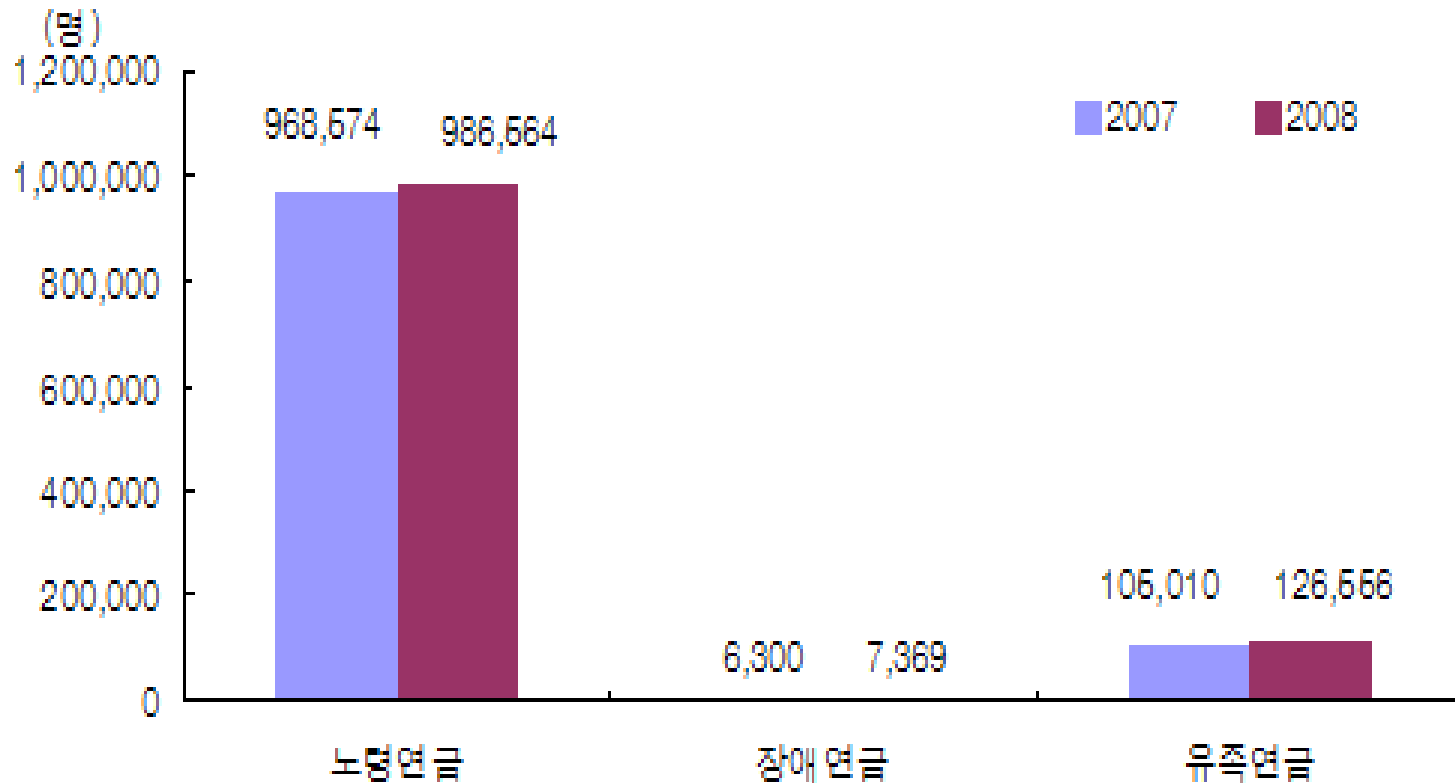
Since 2008, 1640 billion won has been increase due to the expansion of the Pension system (2008.1), Long-term Care Insurance (2008, 7)



Recipient of the Public Pension

25 percent of the aged population received public pension.

In 2008, one fourth of the aged population received public pension (national pension, pension for government officials and pension for private school teachers).



Medical Expenses of the Aged Population

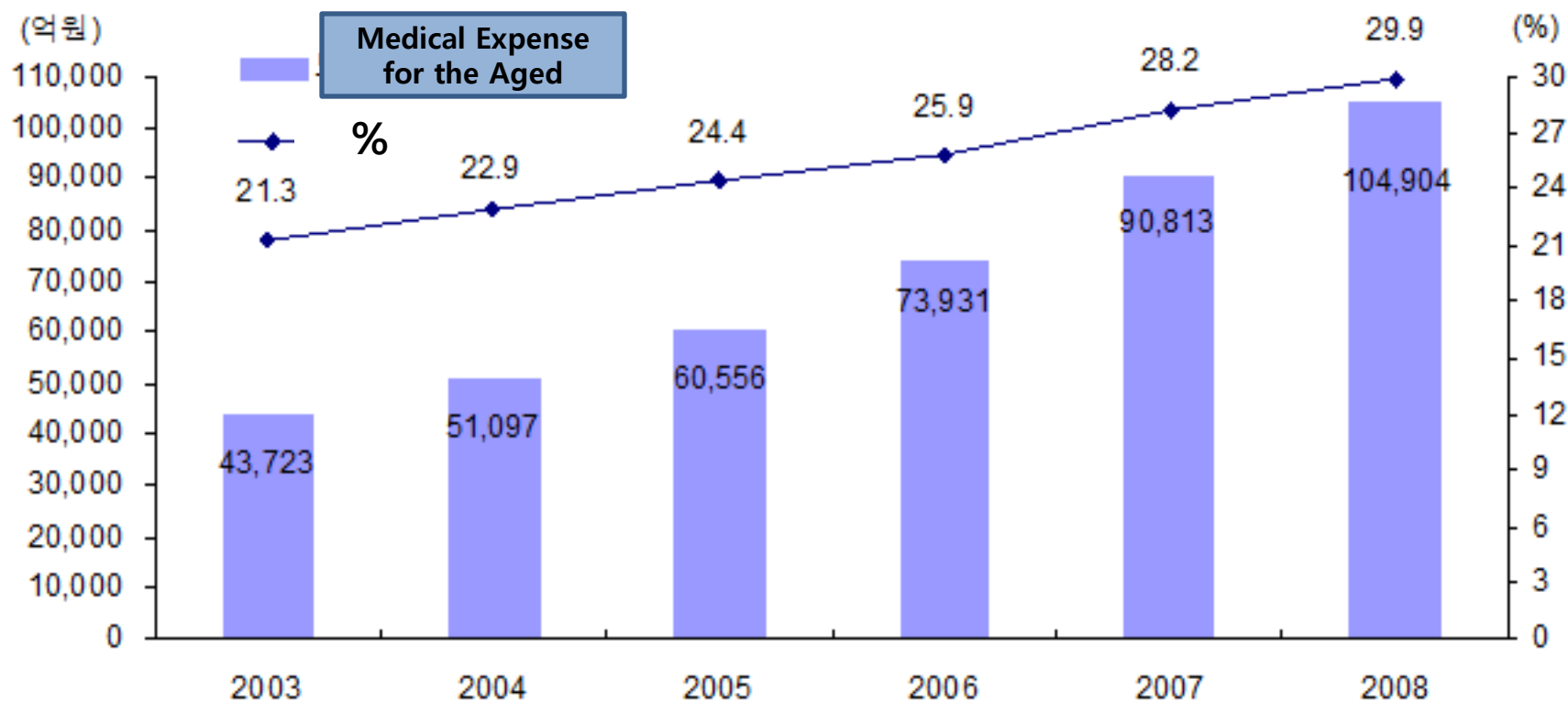
- Due to the increase in the aged population, social expenditures (national pension, medical expenses) showed an upward trend.
- The aged population receiving a public pension marked **27.6 percent in 2009**, which rose by 11.5%p from 16.1 percent in 2005.
- The medical expenses of the aged population amounted to **12,039.1 billion won in 2009**, which occupied **30.5 percent of the total medical expenses** paid by the National Health Insurance Corporation.

(Unit: 100 million won, %, %p)

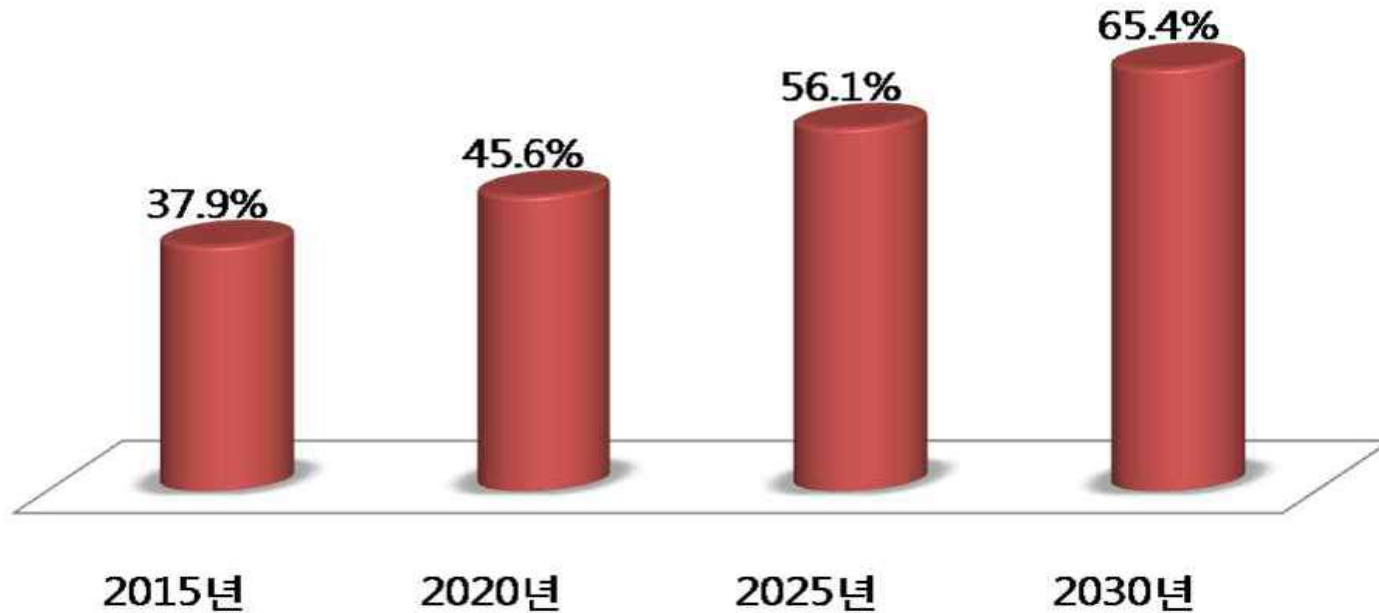
	2003	2004	2005	2006	2007	2008	2009	Year-on-year
Total medical expenses	205,336	223,559	247,968	285,580	322,590	350,366	394,296	12.5
Medical expenses of the aged population	43,723	51,097	60,556	73,931	90,813	104,904	120,391	14.8
Percentage	21.3	22.9	24.4	25.9	28.2	29.9	30.5	0.6

Medical Care Expenses of the Aged

- The medical care expenses of the aged population showed an upward trend.
- The medical expenses of the aged population (10.5 trillion won) accounted for 30 percent of the total medical care expenses (35 trillion won) of the National Health Insurance Corporation.



Medical Expense Prospects



Japan: % of the Medical expense in 2004 : 36 ~ 38%
(2005 aging rate : 20%)

Labor force participation rates for the aged population

The labor force participation rate for the aged population stood at 30.1 percent in 2009, showing a decrease compared 30.6 percent in 2008.

In 2010, 60.1 percent of the population aged 55 to 79 wanted to have a job in the future, which rose by 2.5%p from 2009.

(Unit: %)

		Total		Males		Females	
		Labor force participation rate	Employment-population ratio	Labor force participation rate	Employment-population ratio	Labor force participation rate	Employment-population ratio
2000	15 and over	61.2	58.5	74.4	70.7	48.8	47.0
	65 and over	29.6	29.4	40.7	40.3	22.8	22.7
2004	15 and over	62.1	59.8	75.0	72.0	49.9	48.3
	65 and over	29.8	29.6	41.4	40.9	22.2	22.1
2008	15 and over	61.5	59.5	73.5	70.9	50.0	48.7
	65 and over	30.6	30.3	41.8	41.4	22.9	22.8
2009	15 and over	60.8	58.6	73.1	70.1	49.2	47.7
	65 and over	30.1	29.7	41.5	40.8	22.2	22.1

Labor Force Participation Rates for the Aged Population of OECD Member Countries

The labor force participation rate for the aged population in Korea was the second highest among the OECD member countries.

Iceland recorded the highest labor force participation rate for the aged population among the OECD member countries.

(Unit: %)

	Korea	U.S.A.	Germany	Netherlands	Iceland	Sweden	Japan	England
2004	29.8	14.4	2.8	3.9	17.5	9.3	19.8	6.1
2009	30.1	17.2	4.1	5.6	35.0	12.7	20.1	7.8

Source: <http://stats.oecd.org>

Employed population aged 60 and over by status of worker

-As for the employed population aged 60 and over by status of worker, self-employed people accounted for 46.4 percent

(Unit: %)

	Total	Self-employed	Unpaid family workers	Wage and salary workers			
					Regular	Temporary	Daily
2008	100.0	49.1	11.9	39.0	9.0	18.4	11.6
2009	100.0	46.4	11.4	42.2	10.0	21.3	10.8
Males	100.0	56.9	2.1	41.0	14.0	19.1	7.8
Females	100.0	31.9	24.4	43.8	4.6	24.3	14.9

Source: Statistics Korea, 「Economically Active Population Survey」

Life-Plan for the Old Age

Preparing for the Aging Society

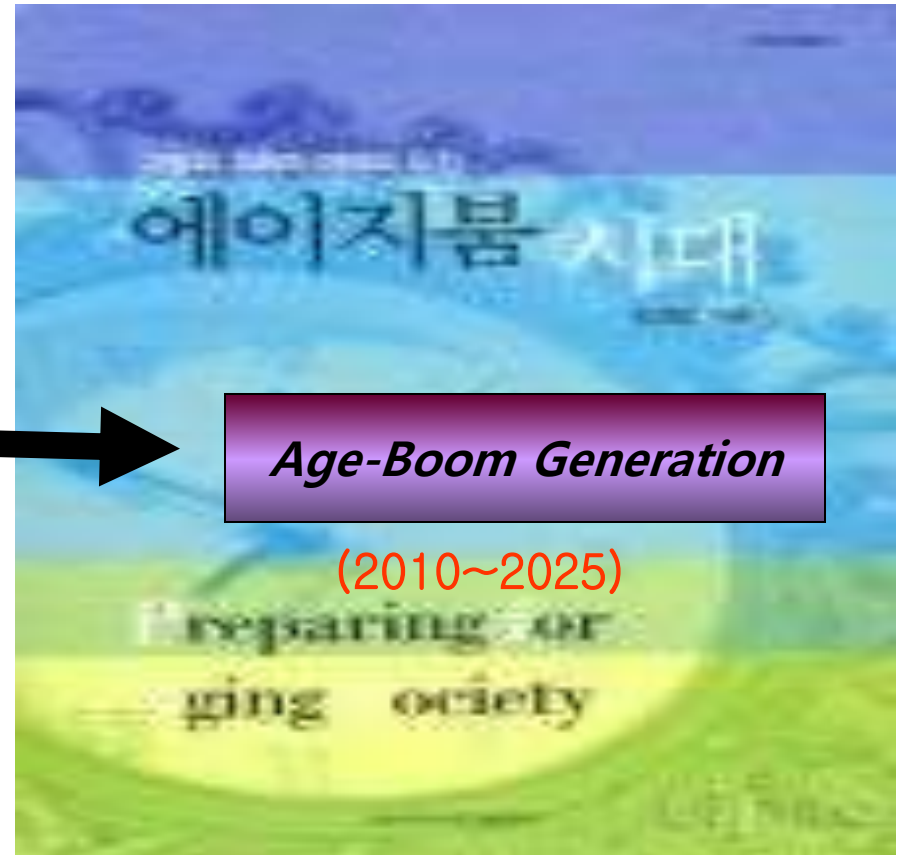
Baby-boom Generation

(1955~1963)



Age-Boom Generation

(2010~2025)

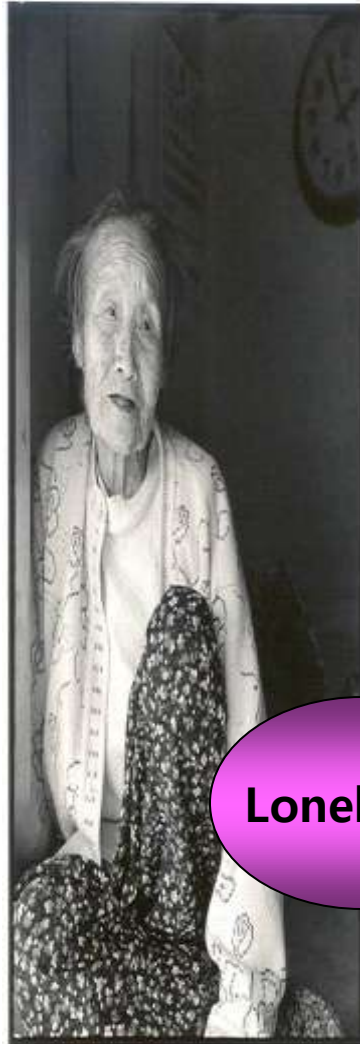


Cho, Sung-Nam , [*Age-boom Generation : Preparing for the Aging Society*,]
2004. Ewha University Press

Changes in the Life-World for the Elderly

- Longer Life Expectancy**
- Life Cycle & Family Life-Cycle**
- Various Groups & Diverse Images of the Aged**
- Changing Images-old, self, others, etc.**
- Changes in Relationship : Family, Relatives, Friends, etc.**
- Social, Political, Economic,.. Changes**
- Changes in Activities : Work, Leisure, Social Activities**
- Increasing Welfare Need, Damands**
- Citizenship**
- Internet generation**

Traditional Images of the Elderly



Loneliness



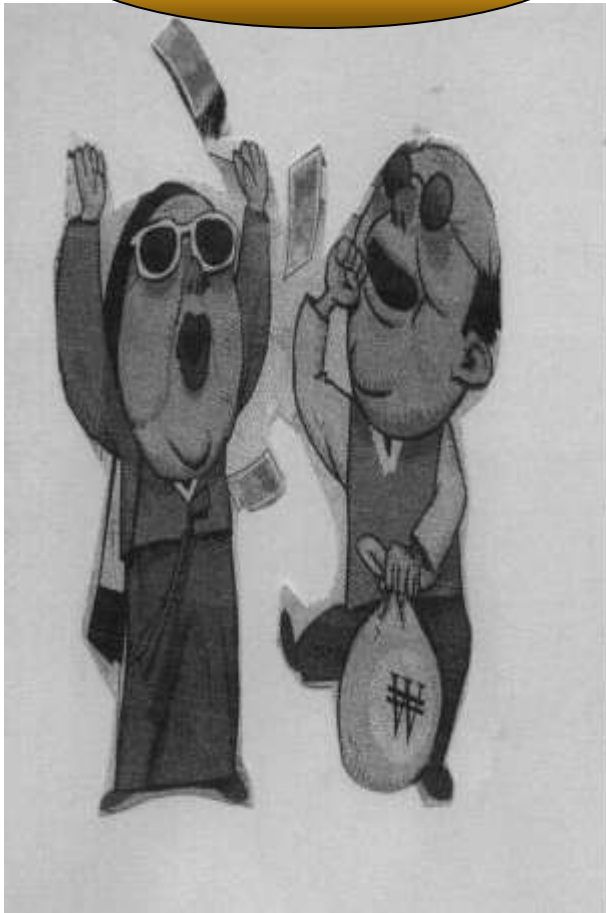
Poverty



Illness

Age-boom Generation: Changing Images

Successful



Productive



Healthy



Active

Diverse Spectrum

“Ageless Body, Timeless Mind”

- 성공적 노화 (Successful ageing)
- 건강한 노화 (Healthy ageing)
- 참여하는 노화 (Active ageing)
- 생산적 노화 (Productive ageing)
- 아름다운 노화 (Beautiful ageing)

Changing Relationship



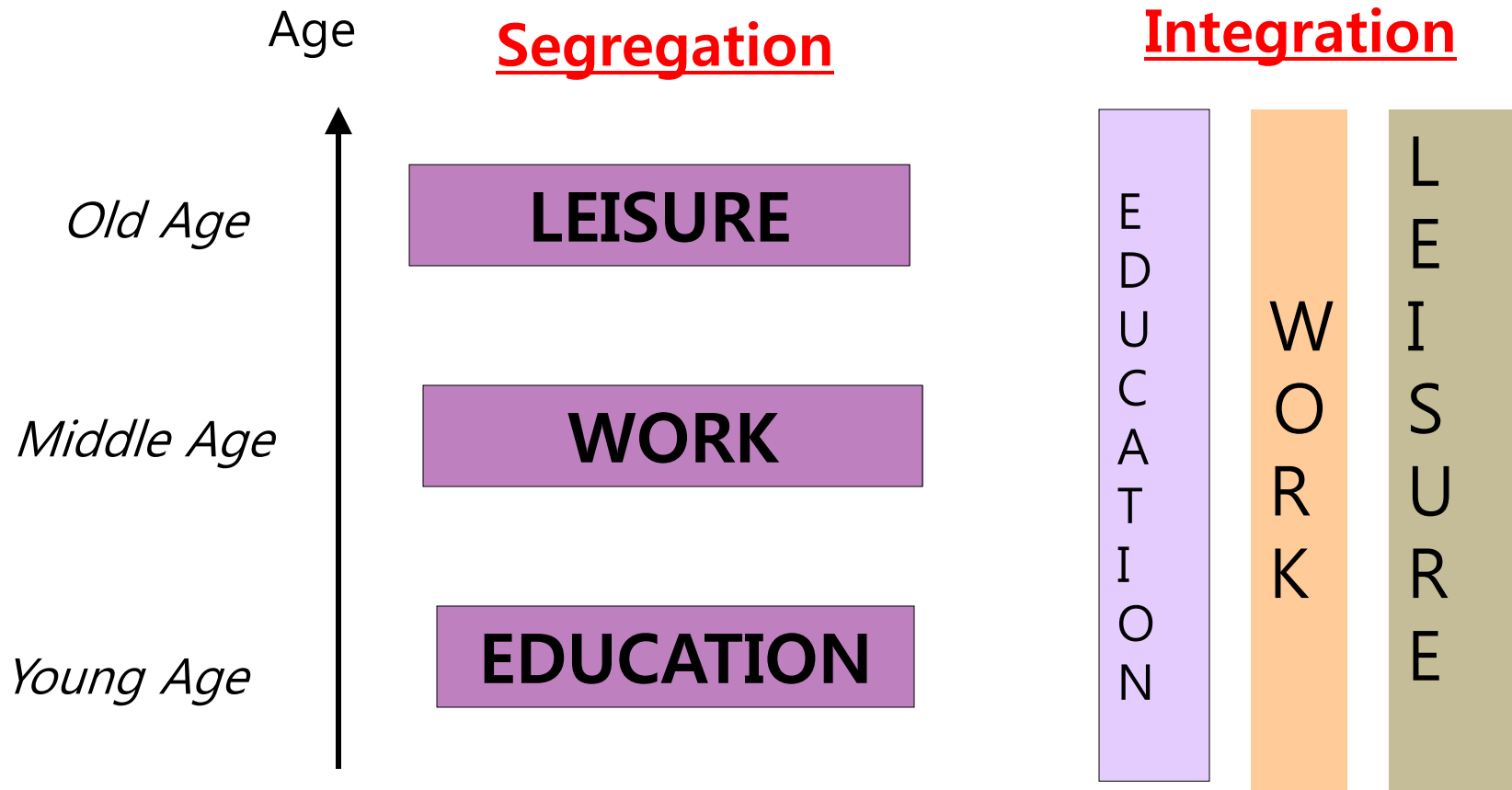
- Long “Empty-nest” Period
- **Husband-Wife relationship-change & adjustment**
- Parents & Children relation in the Later life
- **Mother-in law & daughter in law, etc.**
- grand-parenting
- **Relatives & Community**
- Support for old parents

Changes in the Everyday life

衣	Cloth, Style, Image making & Image management, Fashion, etc.
食	Food, Wellbeing, Healthy food, Slow food, etc.
住	Silver town, Facilities, Housing, Security, living arrangement, Public housing, etc.
樂	Leisure, travel, Activity, Religious activity, Voluntary work, hobby, etc.
健康	Concern for the Health & Wellbeing, Healing, Medical etc. Physical, Mental, social wellbeing

Designing the Life

Development perspective



Source: Riley et als. *Age and Structural Lag* , 1995, p.26

The 2nd Government Basic Policy Plans for Aged Society (2011-2015)

Establishing Infra-Structure for Improving the Quality of Life for the Aged



<Framework Act on Low Fertility and Population Policy: **Aging Population**

Lay the groundwork for improving living standards in an aged society

1. Build a multi-pillar income security system by improving individual income-security measures to ensure financially stable post-retirement life
2. Promote preventive healthcare activities for the elderly to ensure healthy post-retirement life and reduce medical cost for elderly care, and enhance support system for medical treatment and care
3. Encourage senior citizens to participate in social activities for energetic post-retirement years
4. Build an elderly-friendly social system in such areas as housing, transportation, and leisure, and culture

Policy Goal

Lay the groundwork for improving quality of life in the aged society

- Establish a response system to the aging of baby boomers
- Ensure stable and energetic post-retirement years
- Create the elderly-friendly environment

Policy Goal

- 1) -Ensure that National Pension Scheme serves as the primary income-security system for all Koreans by improving long-term substantiality of the National Pension Fund and ensuring that no one falls through the cracks in the system
- Ensure that low-income families, who are not covered by a public pension, receive support for basic livelihood by **enhancing National Basic Livelihood Security System and Basic Old-Age Pension**
- Provide stronger support for private pension schemes such as retirement pension and individual pension plans, and establish financial foundation to **promote asset-building for post-retirement years**

Policy Goal

2) Establish a lifelong, preventive healthcare system for all Koreans by improving the way health care services are delivered

- Provide long-term medical care services for senior citizens having severe difficulties with daily activities in order to alleviate personal and family burden

3)- Create more jobs for healthy and capable seniors, and promote diverse leisure and cultural activities to encourage senior citizens' social participation

4) Ensure more convenience and better mobility for a growing number of seniors so that they can lead comfortable and energetic lives

Implementation level

1. Systemize detailed policy measures taking into account characteristics of policy targets: baby boomers, and senior citizens of today

-Focus on three policy directions:

1) take a proactive approach to prepare for retirement of baby boom generations, 2) ensure stable and energetic post-retirement life, and 3) create the elderly-friendly social environment

2. Establish a response system to baby boomers' retirement area by area

-Provide diverse employment opportunities including reemployment, change of jobs, and starting one's own business in order to ensure a stable source of income, and enhance public and private pension systems

-Establish preventive medical care system to ensure healthy lives for senior citizens, and stabilize the future medical cost for elderly care

-Help the elderly to plan for their post-retirement years, and allow them more opportunity to contribute to society

3. Enhance policies to ensure the **stable and energetic post-retirement life for the elderly** and relieve the burden of future generations

- Expand job opportunities for the elderly** so that they play their roles as a productive member of the society

- Improve the medical coverage for the elderly** in order to reduce their burden of medical bills, and stabilize medical cost for elderly care, which will likely rise in the wake of the aging society

- Aid senior citizens to play their role as an **energetic and productive member of the society** by providing senior citizens with more opportunities for volunteer work and leisure activities

4. **Enable the social infrastructure** including housing and transportation to be more **elderly-friendly** for the convenience of senior citizens

- Create the housing, transportation environment which **is safe and convenient for the elderly**

- Put in place **social protection** system for the vulnerable seniors who live alone or get abused

5. Composed of a total of 78 projects

- * 36 projects to establish a response system to baby boomers' aging, 30 to ensure stable and energetic post-retirement years, and 12 to create the elderly-friendly environment

- 17 priority tasks including promotion of senior-friendly wage peak system at corporations

The Presidential Committee on Low Fertility and Population Policy

※ originally consisted of 12 ministers and 12 private experts with the President as chair.

In 2008, it went under the Ministry of Health and Welfare, and

as of 2010, the committee is composed of 11 vice ministers and 13 private experts.

The Elderly Long-term Care Insurance System

- Korea's national health insurance is operated as a form of social insurance.
- **July 1, 2008: Implementation of elderly long-term care insurance**
- a social insurance scheme intended to give greater security to those elderly who cannot take care of themselves in daily activities including bathing and housework due to weak physical condition or geriatric diseases and to reduce the burden on their families by providing various services including support for physical activities and housework.

Progression of the system introduction

Progression of the <Long-term Care Security System> Introduction	
'01.8	President's congratulatory address: Suggestion of 「Long-term Care Security System for the Elderly」
'03.3	Establish & operate 「Public Long-term Care Security Planning & Promotion Team」
'04.3	Public Long-term Care Security System for the Elderly: Establish 「The Committee of Execution and Planning & Implementation Team」
'05.5	The arbitration b/w ministerial party & Gov. confirmed 「Implementation plan incl. regulations, etc. 」
'05.10	Pre-announcement of 「The Act of the Long-term Care Security for the Elderly 」
'06.2	Approval of 「 The Act of the Long-term Care Security for the Elderly 」 by the Cabinet Council & submission to the Congress
'06.9	Examination by the Congress (Proposed by Gov. & Congressmen incl. HG Jung, MO Ahn, CJ Kim, AJ Hyun, HS Jang, etc.
'07. 4	Establishment 「The Act of The Long-term Care Security for the Elderly」

OBJECTIVES

Act of The Long-term Care Security for the Aged

Target: those who can't live w/o others' aids due to the aging & senile diseases.

Provide the public services incl. nursing, bathing and housework, etc. according to the social solidarity.

Improve a senior's living standard & reduce the burden of the one's family.

The Elderly Long-term Care Insurance System

- Persons covered by elderly long-term care insurance irrespective of the level of income (same as those covered by national health insurance) and their dependants, healthcare beneficiaries aged 65 or older and persons aged 64 or younger with geriatric diseases
- People aged 65 or older and people who have had difficulty taking care of themselves for at least six months due to geriatric diseases including dementia, stroke, or Parkinson's disease
- **Facility benefits**: Support for physical activities, etc. based on long-term accommodation at care establishments
- **In-home benefits**: Provision of care services at home including support for physical activities and housework, bathing and nursing, use of daycare centers, purchase or leasing of welfare equipment
- **Special cash benefits**: Payment of family care expenses for those on islands and in remote areas

The Elderly Long-term Care Insurance System

-Financing-

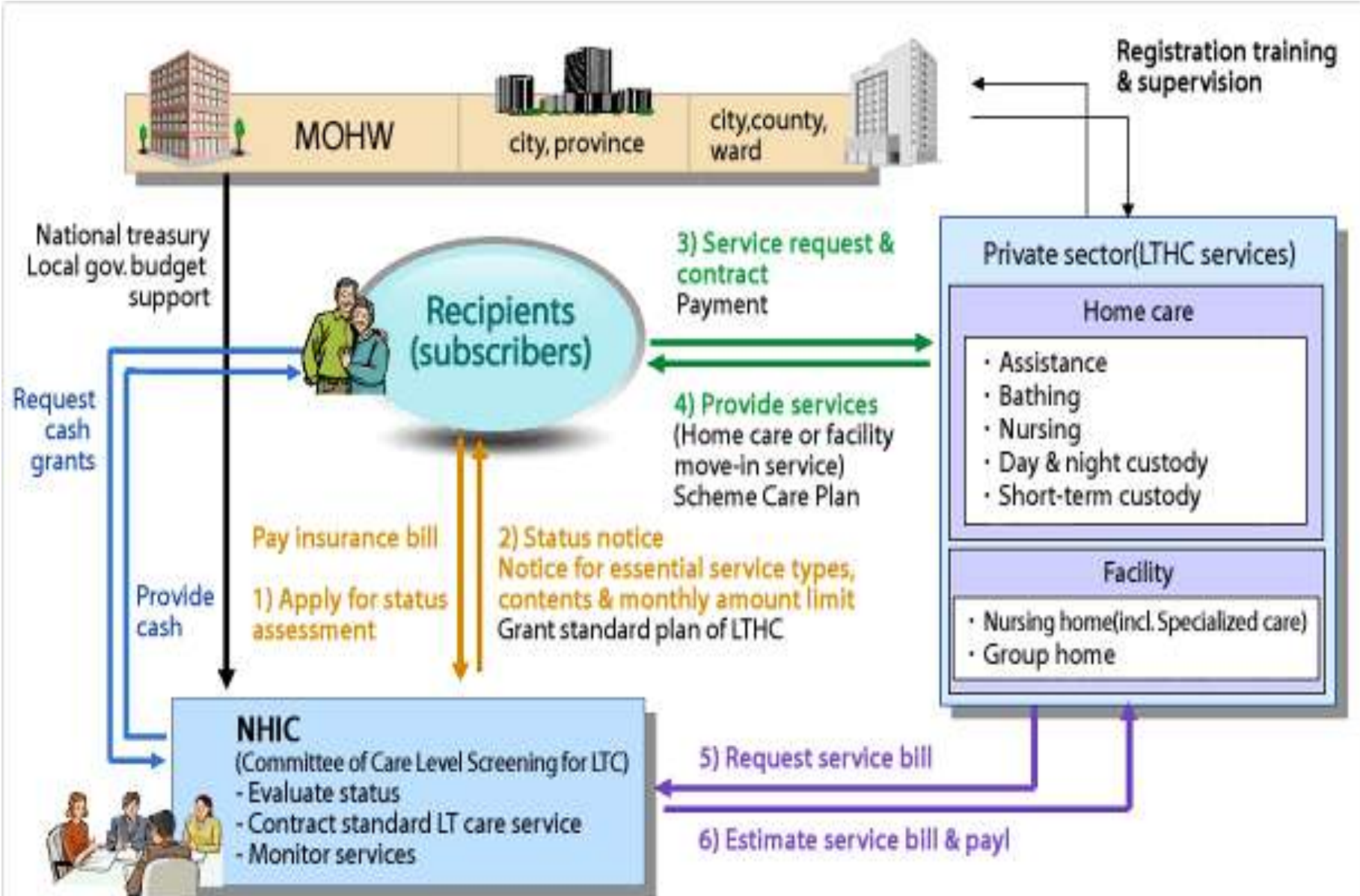
- -financed by contributions collected from the insured and employers and by government subsidies from the national treasury, national health promotion fund, and other sources.
- **Long-term Care Contributions (2012): 6.55% of national health insurance contributions (KRW 5,211 on monthly average)**
- - **People covered by elderly long-term care insurance:** same as those covered by national health insurance, consolidated collection with national health contributions
- - Long-term care contribution rates: Prescribed by Presidential Decree based on deliberation by the long-term care committee accountable to the Minister of Health and Welfare
- **Government Support**
- - **20% of estimated long-term care contribution income** (national treasury)
- - Costs to be borne by the National Health Insurance Corporation, out of healthcare beneficiaries' long-term care expenses, medical doctor's report issuance costs and in-home nursing instructions issuance costs, and all administrative expenses are shared by the central and local governments.
- **Partial Co-payments**
- - **Facility benefits:** 20% (non-benefits: co-payments regarding the costs of food ingredients and hairdressing), in-home benefits: 15%
- - **50% reduction for low-income earners** including healthcare beneficiaries (Care at facilities: 10%, In-home care: 7.5%)
- - Free of charge for basic livelihood security beneficiaries

The Elderly Long-term Care Insurance System

-Details of Benefits-

- **-Facility benefits:** Support for physical activities, etc. based on long-term accommodation at care establishments
- **-In-home benefits:** Provision of care services at home including support for physical activities and housework, bathing and nursing, use of daycare centers, purchase or leasing of welfare equipment
- **-Special cash benefits:** Payment of family care expenses for those on islands and in remote areas
- **Long-Term Care Centers (Designation or report of care establishments and in-home service agencies)**
- -Establishments for facility benefits (establishments under the Welfare of the Aged Act) and establishments for in-home benefits (application of the facility/human resource standards under the Act on Long-Term Care Insurance for the Aged) → Designation by or report to the head of a si (city) · gun (county) · gu (district)
- **-Long-term care staff:** Care workers, nurses, etc.
- **Management and Operation: Sharing of responsibilities by the National Health Insurance Corporation and local governments**

Management & Operation System



Types of LTC benefits

Home Care

Assisting

Assistant visit: Help with daily lives incl. bathing, excretion, housework, etc.

Bath

Visit w/t bathing equipments & provide a bathing service

Nursing

A nurse visit a senior for services directed by M.D.

Day& Night

Daily temp. care service provision at a facility

Short-term

Protect seniors for short period at a facility

Goods grants (principal)

Nursing Home

Provide function recovery training & assist daily lives of long-term residents in nursing home(excl.Special hospital for the elderly)

Cash grants (substitutes acceptable)

Family care

Payment to recipients in case having received proper care services from family members

Special case

Partial payment in case of receiving of LTC benefits from unregistered facilities

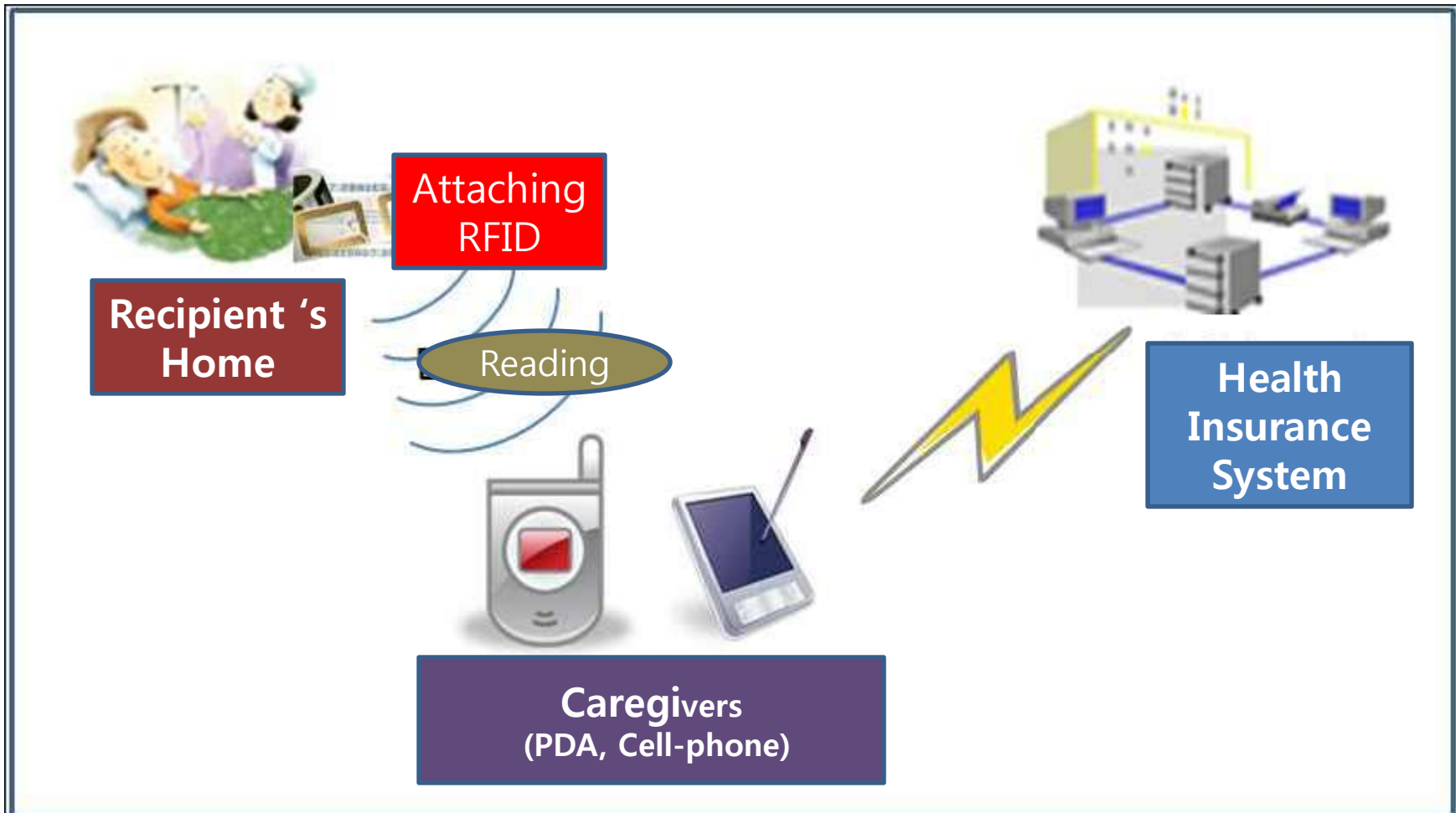
Hospital nursing

Partial payment for nursing services at the special hospital for seniors

LTC insurance bill & cost division

LTC insurance bill	<ul style="list-style-type: none"> • Impose under Health Insurance bill & manage as an independent account • Insurance bill = Health Insurance bill X rate of LTHC insurance bill • Rate of insurance bill : Estimated by the Committee of LTC (under MOHW) and confirmed by Presidential decree
Government	<ul style="list-style-type: none"> • Partial payment for the programme costs according to presidential decree • According to presidential decree, payment divided by Nat'l Gov. & local Gov. to cover the amount to be paid by NHIC and management & admin. costs
Recipient	<ul style="list-style-type: none"> • In case of facility: 20%; home care:15% • Exemption: Beneficiaries according to the Act of National Basic Livelihood Security • Burden reduction: LTC Insurance subscribers & supporters entitled to Health Benefits or with income below the minimum amount MOHW set

Establishing Effective Ways using Technology for Long-Term Care Patients (RFID, Cell Phone, PDA etc.)



The Elderly Long-term Care Insurance System -Grading-

Grade Classification	Grading Criteria
Long-Term Care Grade 1	Persons who wholly need others' help in their daily lives and record a long-term care acknowledgement score of at least 95
Long-Term Care Grade 2	Persons who have significant need for others' help in their daily lives and record a long-term care acknowledgement score of at least 75 but less than 95
Long-Term Care Grade 3	Persons who have some need for others' help in their daily lives and record a long-term care acknowledgement score of at least 55 but less than 75

The Basic Old-age Pension

A scheme to grant 70 percent of those who are 65 years of age or over a monthly fixed pension benefit to recompense them for their dedication for national development and child rearing.

=Our elders in modern society laid a foundation for the country to become advanced by persevering through turbulence and dedicated themselves for their children's welfare, but many of them were not able to prepare for a comfortable life in their old age.

=Many elders are in financial distress, living without any income or property. In many cases, their children supporting them also face tremendous financial burdens.

The Basic Old-age Pension

- This plan grants a monthly fixed basic old-age pension benefit to the elderly who are in difficult financial straights with a view toward adequately supporting their livelihood and promoting their welfare.
- **The Basic Old-age Pension benefits were granted to the 70 percent of the elderly** (age 65 and older) who have little income and property. The number of the eligible people for 2011 is expected to reach 3.87 million elderly
- The pension was provided for the elderly over 70 (those born before Dec 31, 1937) starting in Jan 2008; and for the elderly aged 65 and older starting in Jul 2008.
- Among the elderly aged 65 and older, the bottom 70 percent are selected. Their income/property is less than 740,000 won for single elderly persons and less than 1.184 million won for an elderly couple. (Enforced on Jan 2011)
- The 'recognized amount of income' for an elderly household is the sum of monthly income and converted amount of property income with an annual interest rate of 5 percent

The Basic Old-age Pension -Financing-

- The amount of pension is to be five percent of the average monthly income of the past three years before receipt of benefits.
- From April 1, 2011 through March 31, 2012, recipients living alone can be granted up to 91,200 won every month and couple recipients up to 145,900 won (20 percent deducted from benefits for recipients living alone).
- For some recipients who have high income or large property holdings, reduced benefits are provided.

The Basic Old-age Pension

- **1. Earned income deduction for full-time workers: 400,000 won per person**
- ※ Among elderly couples, if a spouse under age 65 still has an income, 400,000 won is deducted from the spouse's earned income.
- -Tax-exempt earned income under the Income Tax Act is excluded; but tax-exempt earned income in the form of overtime or holiday allowances, or income from an overseas source are not excluded.
- **2. Earned income deduction for temporary or daily workers:** For any person with an employment contract of one year or less, his/her declarations and documentary evidences* are examined to deduct the earned income from temporary or daily work that has been included in the earned income from full-time work.
- -Declaration of Income/Property [Form No. 1-2 under Attachment], employment contract, salary statement
- ※ Income provided in consideration of participation in the job creation program for the elderly, the job creation program for the disabled, self-sufficiency public work, and temporary and daily work is deducted.*
- ※ Temporary and daily work designed to promote working activities of senior citizens

The Basic Old-age Pension Application Process

- **Elderly persons aged 65 or older who wish to apply for the Basic Old-age Pension should present their identification card, a copy of their bank book (bank account to receive the pension), and a yearly/monthly rental contract to the eup/myeon/dong office, or a regional branch of the National Pension Service located in the area of their domicile.**
- **They can apply two months before the month in which their 65th birthday falls, and the pension benefits begin in the month of their 65th birthday.**
- **If they apply after their 65th birthday, the pension benefits are paid from the month of application.**
- **Children, siblings, relatives, or heads of social welfare facilities may apply on their behalf by presenting a power of attorney.**
- **Where a spouse (including a spouse under age 65 or a person having a de facto marital relation) applies, he/she is deemed to have been authorized to apply so that he/she does not need to present a power of attorney.**
- **If you have the Application for Provision of the Basic Old-age Pension Benefit and the Written Consent of Provision of Financial Information filled out with your children's assistance beforehand, you can save time at the place of application**

The Basic Old-age Pension Application

- **Qualified Applicants**

- 1. Person who wishes to receive pension (the principal): A person aged 65 or older who wishes to receive the Basic Old-age Pension benefit
- 2. Representative: Children, siblings, relatives, heads of a social welfare facilities may apply for them by presenting a power of attorney.
- 1) Any person authorized by an applicant through the Power of Attorney for the Basic Old-age Pension【Form No. 3】
- It is necessary to verify the identification card of a representative, relationship between a representative and a beneficiary, and authorization of application for pension.
 - - A letter of attorney is required to prevent fraud against the elderly and misappropriation of pension benefits.
 - - Where representatives are foreigners, their identification should be verified with their passport, etc. and documentary evidence should be submitted.
- 2) Where a spouse (including a spouse under age 65, and person having a de facto marital relation) applies, he/she is deemed to have been authorized to apply so that he/she does not need to present a power of attorney.
- 3) Where an application is made by proxy, the Written Consent of Provision of Financial Information, etc. should be affixed with respective signature, thumbprint, or registered seal (non-registered seal not allowed) of the principal and his/her spouse. If a registered seal is used, an authentication certificate of seal should be attached.

The Basic Old-age Pension

- Other income to be deducted
- - Livelihood support allowances under Article 14 of the Act on the Honorable Treatment of Persons of Distinguished Services for Independence
- -Livelihood support allowances, care allowances, and distinguished military service allowances under Articles 14, 15, and 16-2 of the Act on the Honorable Treatment and Support of Persons, etc. of Distinguished Services to the State
- -Veteran's allowances under Article 6 of the Honorable Treatment of War Veterans, etc. Act
- -Rice subsidies under the Rice Income, etc. Compensation Act
- -Subsidies from relief projects of Hongikhoe
- -Allowances for atomic bomb victims living in Korea and compensation for pneumoconiosis
- -Subsidies for transmission of important intangible cultural assets
- -Subsidies for the aged, among the forms of pay from the "Special Job Creation Project for the Relocation of People" subject to the municipal ordinance on the relocation of the US military bases in Pyeongtaek
- -All types of allowances paid under the municipal ordinance of local governments
- -Retirement allowances, etc. of the clergy including ministers, priests, or nuns
- -Membership allowances from an academy; subsidies for Sakhalin Koreans who permanently settled in Korea, North Korean defectors, and Japanese army comfort women; care allowances for patients with rare or incurable diseases, and allowances for heads of a Yi/Dong
- -Allowances for patients suffering from actual or potential aftereffects of defoliants, who are recipients of basic old-age pension, regardless of grade, and have serious disabilities (150,000 won)

The Residential and Medical Welfare Facilities for the Elderly

- **1. Eligibility**

- **<Nursing homes and elderly group homes>**

- - Beneficiaries under Article 2 of the National Basic Living Security Act ("basic livelihood security beneficiaries") who are aged 65 or older
- - Those aged 65 or older who do not receive adequate support from caregivers
- - Those aged 65 or older whose monthly average income combined with that of the caregivers earning a living with them and then divided by the number of members in the household is not more than the per-capita monthly average income of urban working households during the previous year (referring to the year immediately preceding the year during which the income investigation of those persons occurs) as announced by the commissioner of Statistics Korea pursuant to Article 17(3) of the Statistics Act, which is calculated by dividing the monthly average income of urban working households by the average number of members in a household in the previous year ("Those entitled to pay only an amount equivalent to government grants for basic livelihood security beneficiaries")
- - Persons aged 60 or older as regards nursing homes or elderly group homes collecting all accommodation expenses from residents
- **<Elderly welfare housing>**
- - People aged 60 or older who can live independently without difficulty, including cooking on their own

The Residential and Medical Welfare Facilities for the Elderly

2. Accommodation Process

- =**Basic livelihood security beneficiaries**

- Application for accommodation to an eup (town)·myeon (township)·dong (neighborhood) → On-site examination (visit by examiners designated by a si (city)·gun (county)·gu (district) → Review → Decision on whether and where to accommodate

- =**People liable to pay a certain amount equivalent to government grants for basic livelihood security beneficiaries**

- Consultation between the head of the facility concerned and the applicant for admission → Request for on-site examination by the head of the facility → On-site examination by the competent si (city)·gun (county)·gu (district) → Notification of review findings to the head of the facility

- =**Ordinary people**

- Consultation between the head of the facility concerned and the person to be admitted → Contract between the parties → Admission

Medical Welfare Facilities for the Elderly

- 1. Eligibility
- =**Elderly care facilities, elderly care group homes**
- - Long-term care beneficiaries entitled to facility benefits
- - Persons aged 65 or older who do not receive adequate support from caregivers
- - Persons aged 60 or older as regards nursing homes or elderly group homes collecting all accommodation expenses from residents
- =**Specialized elderly hospitals**
- - Persons requiring treatment and care due to geriatric diseases
- - Terminal patients

Medical Welfare Facilities for the Elderly

2. Admission Process

- =Application for long-term care acknowledgment (NHIC branches) → On-site examination → Grading committee → Receipt of long-term care certificate → Admission according to the following process

The Community Elderly Service Agencies

- **Facilities that provide one or more of the following services including in-home care, day and night care, short-term care, in-home bathing service, and in-home elderly support service**
- **<Eligibility>**
 - Long-term care beneficiaries
 - Physically or mentally impaired or disabled elderly people aged 65 or older (Persons aged 60 or older in the case of the facilities collecting all accommodation expenses from residents) who fall under any of the following:
 - ① **In-home care**: Those who need care at home for a certain time during the day
 - ② **Day and night care**: Those who need day or night care
 - ③ **Short-term care**: Those who need short-term care for 1 to 15 day(s) per month
 - ④ **In-home bathing service**: Those who need bathing service at home
 - ⑤ **In-home elderly support service**: Those who need various counseling, education, and support services other than the services set forth in ① through ④

In-home care	Various services necessary for elderly people who live at home and suffer difficulties due to physical and/or mental disabilities
Day and night care	Day or night care at facilities for physically or mentally impaired elderly persons/disabled elderly persons who cannot be cared for by their families for an unavoidable reason
Short-term care	Short-term accommodation at facilities for physically or mentally impaired elderly persons/disabled elderly persons who need temporary care as they cannot be cared for by their families for an unavoidable reason
In-home bathing service	Visit to elderly people at home with bathing equipment to provide bathing service
In-home elderly support service	<p>Services such as counseling on senility and welfare for elderly people staying at home, education for those elderly people and their family members, and provision of convenience</p> <p>※ Provision of services other than in-home care, day and night care, short-term care, and in-home bathing service</p>

National Agendas for the Park GH Government (2014~)

- The ministry reported that it will operate a “basic pension system” beginning July, 2014 to secure stable earnings in life after retirement. It will give shape to a system model based on contents that the presidential transition committee announced.
- ※ Committee’s national agendas – basic pension for senior citizens to benefit people older than 65 with up to 200,000 won in allowances per person. Taxes to be appropriated to the necessary finances.
- <Happiness Pension : “The task force for the committee will be installed within the government (led by the director of low birthrates and aging society, two teams and four units) to lessen the burdens of current senior citizens while benefiting everyone.

National Agendas for the Park GH Government (2014~)

1. Introducing a **basic pension system to make every generation happy**

- "The task force for the committee will be installed within the government (led by the director of low birthrates and aging society, two teams and four units) to lessen the burdens of current senior citizens while benefiting everyone.

2. Strengthening medical coverage for the four serious diseases

3. Customizing the benefit-providing system

National Agendas for the Park GH Government (2014~)

- 1) basic pension for senior citizens to benefit people older than 65 with **up to 200,000 won in allowances per person**. Taxes to be appropriated to the necessary finances.
- 2) strengthen benefits so that the national health insurance will **cover essential treatment for the four serious diseases** such as cancer and diseases of the heart, brain, and blood vessels which are burdensome to patients.
- -Beginning October with ultrasound examinations, the ministry will complete the plan in phases by 2016 and announce confirmed specifics by the end of June.
- - improve systems to minimize the three major burdens to patients and their family which are not covered by insurance _ medical fees for special medical services, charges for high standard patient room, and nursing fees.
- -the cases to apply or discard insurance benefits to the three major burdens may drive patients to university hospitals in metropolitan areas, and financial burdens to the national health insurance will rocket.
- -benefit senior citizens for their partial dentures (July), and set up plans to expand insurance coverage for dental implants (those aged 75 and above) in phases beginning 2014.
- ※ The insurance to benefit people older than 75 in 2014, 70 in 2015 and 65 in 2016.

National Agendas for the Park GH Government (2014~)

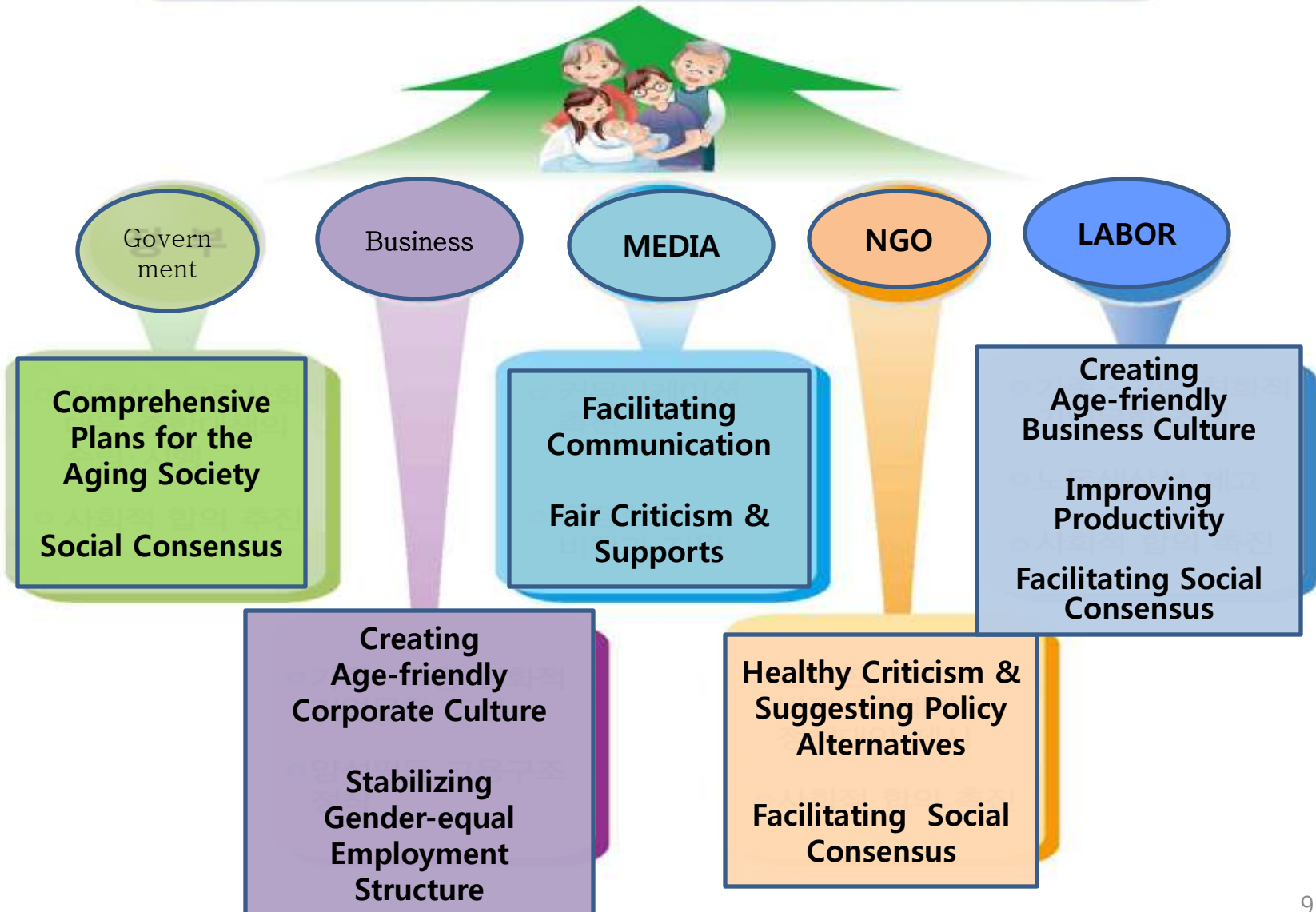
- 3) The benefits from the National Basic Livelihood Security System are mainly offered to people living on social welfare programs, so they tend to enlarge the existing dead zone of welfare and make people dependent on the social welfare programs.
- In order to improve these fundamental problems, the ministry will confirm ways to improve the benefit system this April including preparing appropriate standards to select beneficiaries, improving the existing "all-or-nothing" benefit system, and easing standards on beneficiaries.

National Agendas for the Park GH Government (2014~)

FINANCING

- With **equitability** considered, deductibles of the low-income bracket will be decreased (2 million won to 1.2 million won) while those of the high-income bracket will be increased (to be confirmed in June, 2013 and come into effect in January, 2014).
- Taxes to be appropriated to the necessary finances.
- 3) The income standard to be improved from the current average income to average income plus cost of living of beneficiaries.

Nation-wide Strategy for Mobilizing Social Resources for the Aged Society



대단히 감사합니다!!

THANK YOU!!

感謝 ♥ !!



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